

The NATIONAL UNDERWRITER

Life Insurance Edition

THESE SUCCESSFUL MEN AGREE

"Mutual Life Training Leads to Success"

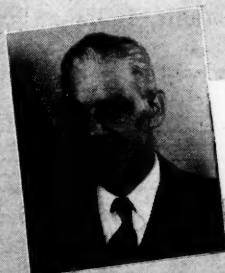
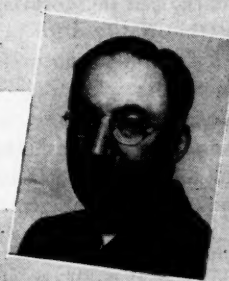


JACK A. LeCUYER, class of January '49, Greeley, Colorado:

"The three-year training program and the post-graduate course gives the newcomer self-confidence, the old timer new ammunition."

HARRY K. GUTMANN, C.L.U. New York City, says:

"Mutual Life training graduated me permanently into life insurance counselling on higher levels."



KENNETH F. EVANS, Newark, New Jersey:

"Thanks to Mutual Life's continuing training program, I made a successful switch to life insurance, even after 20 years in an entirely different business."

Mutual Life's training program covers a 3-year period starting the day the new Field Underwriter joins the Company and paralleling his actual work in field underwriting. Regular classroom sessions, written examinations, and supervised study and field work give each new man a professional grasp of family financial problems, business problems, taxation, and an understanding of practical psychology. Mutual Life Field Underwriters are thus equipped for success.

WEATHER STAR ATOP OUR HOME OFFICE BUILDING — FLASHES OFFICIAL WEATHER FORECASTS



THE MUTUAL LIFE

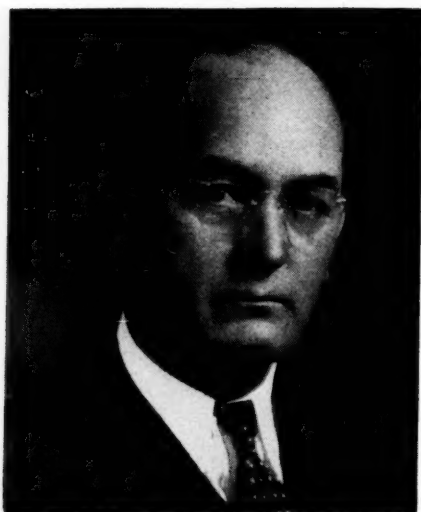
INSURANCE COMPANY of NEW YORK

1740 BROADWAY AT 55TH STREET • NEW YORK 19, N. Y.

FRIDAY, OCTOBER 19, 1951

TWO ANNIVERSARIES

Our 41st



A. L. WHITE
Austin,
Texas

A. L. White's 31st

General Agent A. L. White of Austin, Texas, is another career life underwriter who has enjoyed successful and pleasant business relations with The Ohio National for nearly a third of a century. He has been a faithful member of the ONLI field force since 1920. While he has won production honors from time to time during his long and useful career, he is best known among his professional associates as an enthusiastic team worker. His many Ohio National policyowners hold him in high regard as a sincere friend and a competent representative of this progressive company.

The OHIO NATIONAL
LIFE INSURANCE COMPANY, Cincinnati, Ohio

FAMED FOR WORLD-WIDE SERVICE from branches located in more than 20 countries, including 50 offices in the United States, the **SUN LIFE ASSURANCE COMPANY OF CANADA** has won universal recognition for the diversity of its comprehensive life insurance and annuity plans. The specific needs of men, women and children under widely differing circumstances are taken care of, and a variety of optional policy privileges offers valuable alternatives to safeguard the interests of the beneficiary.

More than One and a Half
Million Policies in Force



**SUN LIFE
OF CANADA**
HEAD OFFICE • MONTREAL

State Life Is on the March . . . With Production Gains Month by Month!

Ten consecutive months now . . . the growing Field Force of The State Life of Indiana has scored substantial production gains over the corresponding month a year ago. And, *there are reasons!*

- ★ A broad-vision agency development program under progressive leadership.
- ★ New agency contracts with real incentives.
- ★ A program of opportunity which has attracted able, ambitious Managers and Field Underwriters.
- ★ New and exclusive policies for today's market added to the wide range of State Life policies.
- ★ High morale maintained by practical, sales-minded cooperation all along the line.

State Life is on the march . . . and State Life Field Underwriters are scoring new gains and making personal progress.

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

A Mutual Legal Reserve Company Founded 1894



MISSING THE BIG ONES?

✓ YOUR RATE BOOK

ORDINARY LIFE		PREFERRED RISK	
Premiums - basis \$1,000			
Age		Age	Age
20 - \$12.60		35 - \$20.76	50 - \$38.34
30 - \$17.38		40 - \$25.11	60 - \$61.66

Minimum Policy \$5,000

The Pacific National Life man can't MISS with these rates. His whole policy portfolio is just as up-to-date as these premiums and of course his Company is keeping one step ahead of the industry in all other departments. A number of choice G.A. openings in the West. Inquire of Ken Cring, Vice-President and Superintendent of Agencies.

**PACIFIC NATIONAL
LIFE ASSURANCE COMPANY**
411 East South Temple - Salt Lake City, Utah
Ray H. Peterson, President

Slow Recruiting Hastens Decline in Agency Strength

Production Will Feel Effects of Manpower Losses in Second Half

Mobilization of the armed services over the last year plus the loss of men to defense and other industries and a falling off during the last six months of somewhere between 10 and 15% in the recruiting of new agents compared with 1930 along with normal turnover has left the business with a manpower problem of serious though perhaps not yet critical proportions.

Agency department recruiters, and practically every company in the last few years has seen fit to make recruiting supervision a full-time responsibility for one company official, report almost unanimously that their strength is down, in some cases almost 10% from a year ago. The competitors of the one exception to the manpower decline explain that that company has several extra men at the home office putting considerable time, travel, and effort into recruiting, enabling it to escape the trend.

Since the volume of new business is still up over last year, despite the falling off in the number of agents, there isn't any deep-seated alarm over the situation. But home offices agree that companies are in for production trouble unless a manpower plateau is reached soon.

Much Business from New Men

Production figures showing how much volume is attributed to new men will be plaguing home offices as volume declines. The importance of the production of new men is illustrated by the record of one company which says that 29% of its annual volume comes from men who entered the business in the preceding two years.

The longer term view, subject of course as it is to all sorts of uncertainties, especially since the truce talks in Korea, is causing agency officials to give much more attention to recruiting.

By now, every company has lost some good agents to the armed services. Very few have returned yet, although if the rotation plans of the Defense Department work out successfully, more will be back later this year or in 1932. The departure of these good men has hurt production.

Perhaps more men than went into the service have left to go into other businesses, many related to the defense effort. This exodus has had its good effects as well as bad. Some marginal producers who left the business to go into defense industries ultimately might have become good agents. But over-all the business probably is better off because of the current shake-down in its agency force. Many who have left life insurance probably shouldn't have been in it anyhow. They have been able to leave it with pride since they moved into other jobs at relatively good pay. Some companies are happy to have lost the marginal men. All hope to get back the good ones they have lost.

The migration generally has reached nowhere near the scope experienced during the last war.

Life Companies Queried Regarding Investment Policy

WASHINGTON—Life company executives are being sent a questionnaire by the joint economic report committee's subcommittee on general credit control and debt management. The subcommittee, of which Rep. Patman, Texas, is chairman, wants data and views of insurance and other private groups, as well as government agencies, on these subjects.

In a foreword to the questionnaire released by his committee, Mr. Patman says the questionnaires have been prepared after extensive consultation with representatives of groups to which they are addressed, and every effort has been made to phrase the questions in such a way as to bring out relevant facts with a minimum burden on the respondents.

Questions deal, among other things, with "recent developments and appropriate future policy in the fields of money, banking, and credit" and "appropriate policy in the field of debt management."

Specific Questions Asked

The committee proposes to publish results of its questionnaires as the basis for hearings planned for 1932. Following are the questions for life company executives:

"1. Describe the policy of your company with respect to changes in its portfolio of (a) United States government securities, (b) state and municipal securities, (c) corporate securities, and (d) mortgages during the period from the end of the war to June 1930, and state in a general way the reasons for this policy.

"2. Describe the changes, if any, in your policy with respect to holdings of United States securities, corporate securities and mortgages since June, 1930. If your policy during this period has changed, evaluate roughly the relative importance of (a) changes in the relative attractiveness as investments of the different classes of securities, (b) changed federal regulations with respect to mortgages, (c) moral suasion, directly or indirectly, by the federal reserve system (including the voluntary credit restraint program), (d) the emergence of potential capital losses on United States securities in your portfolio, and (e) other factors, in bringing

Life Purchases in September Down 21% From Last Year

Life insurance purchases in the United States in September showed a decrease of 21% from the same month last year, although they were 12% greater than in September, 1949, according to L.I.A.M.A. The total for September was \$1,946,000,000 compared with \$2,468,000,000 in September of last year, and \$1,737,000,000 in September, 1949.

Ordinary purchases in September totaled \$1,292,000,000, down 11% from September, 1950. The industrial total was \$449,000,000, increase 9%, and group \$205,000,000, decrease 66%.

In the first nine months, total life purchases were \$20,223,000,000, a decrease of 2% from the first nine months of 1950; ordinary \$12,948,000,000, up 2%; industrial \$4,044,000,000, virtually the same, and group \$3,231,000,000, a decline of 18%.

Life Companies' Payments Ahead for Seven Months

Payments to American families by life companies were ahead \$170 million for the first seven months of the year. Total payments for the first seven months of the year were \$2,361,650,000. Payments during July were one-tenth larger than a year ago. Death benefits for the first seven months totaled \$1,012,747,000, which is 9% greater than a year ago, according to Institute of Life Insurance. The death benefit rise is primarily from the greater volume of life insurance protection because the death rate has not appreciably changed from the record low level of last year.

about the change in policy.

"3. If the Treasury should have to engage in substantial net borrowing during the foreseeable future, what class or classes of securities do you believe it should offer to life insurance companies?"

Questionnaires are also going to the Secretary of the Treasury, federal reserve chairman, federal reserve banks, council of economic advisors, comptroller of the currency, federal deposit insurance corporation, RFC, state bank supervisors, bankers, economists, and U. S. government security dealers.

House Rejection of Tax Bill Perils Insurance Measures

But Life People Believe Law Will Be Enacted This Session

WASHINGTON—The surprising rejection by the House of the tax bill approved by the Senate-House conferees is of special interest to the life insurance business for it contains the new 6½% federal income tax method that the companies have been diligently working for and the amendment to the internal revenue code extending to full-time life insurance salesmen the tax advantages under pension plans accorded to other employees under section 165 of the code.

"None too bright," was the way Ways and Means Chairman Doughton described the outlook for the enactment of the full revision program, but other leaders vary considerably from that attitude in their degree of optimism or pessimism.

Life People Hopeful

Life insurance legislative observers believe that the House's rejection of the bill will not cause more than a temporary delay in its passage before the adjournment of the current session. Neither of the two provisions of principal insurance interest are part of the disagreement between the two houses and hence are not regarded as in danger of losing out in the "horse-trading" between the conferees representing the Senate and those representing the House.

In the event that no revenue bill is enacted, the companies would be stuck for another year with the stop-gap tax bill they have been trying to have changed.

The tax code change helps agents by making their pensions taxable as the payments are received by them. Now they are taxed on the lump sum for the entire pension the year they begin to receive it. This often is a large amount and requires them to put up the tax money from savings or by loan. The change classifies them as employees for the purposes of section 165. Under it they would pay their taxes like other employees going on a pension. This coincides with their being regarded as employees for the purposes of the social security act.

It is hoped that the House move will not result in a rebirth of the proposal for a 20% withholding tax on dividends. That suggestion was passed by the House, but rejected by the Senate and the conference committee. It would adversely affect insurers by creating an onerous, expensive administrative burden, reduce net dividends to policyholders and thereby hurt sales, and cut the income of companies that have equity investments.

Fidelity Mutual Runs Seminar for New Agents

Fidelity Mutual conducted a five-day seminar for 15 new agents. Several company officers and department heads participated, each discussing the work of his department in its relation to the field. Discussions included quality business, work habits, sales promotion material.

A.L.C. Gavel Crosses Mason-Dixon Line

Cecil Woods (left), president of Volunteer State Life and retiring president of the American Life Convention, hands over the gavel to the new A.L.C. president, Frazier B. Wilde, president of Connecticut General Life, at the A.L.C. annual meeting at Toronto.



Union Leader Says Group Benefits Must Be Strung Out

Becker of UAW Asks Companies to Push Settlement Options

By R. J. Thain

A major grievance of the unions against the life insurance companies is that the companies apparently do not want to pay out group life benefits in installments, according to Harry Becker, director of the social security department of United Auto Workers. Insurers technically offer settlement options for group life, but will not push them nor provide information about them to policyholders, the CIO representative said. The result is that group life is failing of its purpose in that a great portion of the lump sum benefit is finding its way into the coffers of funeral directors and others who adjust their death-time service charges to the known lump sum the widow of the union man receives.

Mr. Becker was the central figure at a forum on group coverages during the meeting of the Insurance Conference of the Cooperative League at the Moraine hotel in Highland Park, Ill.

Unquestionably the leading union insurance director, Mr. Becker is the innovator of much that the UAW has bargained for in the way of insurance and director of a sizable staff which administers pensions and insurance for 1,500,000 workers. He is very much the counterpart of his boss, Walter Ruether in that he is slight, and boyish looking yet quick of mind and bubbling over with well-couched theories and ideas.

It was Mr. Becker's point that, while there are settlement options in group life, the insurance companies don't seem to want to have them utilized. The employer expects the insurer to explain them, the insurer claims it is the employers' responsibility and seldom are the options put into effect.

This led Mr. Becker into a general comment that, now that insurance has become an integral part of the conditions of labor, the insurance companies must divert some of the attention they pay to sales and investments to seeing that the group policyholder is served to his best interest.

Problem of Education

The UAW insurance man admitted that there was a problem present in getting UAW membership educated to drawing benefits in installments. He said distribution of group life benefits is crucial in many areas where lump sums are inviting \$1,400 funeral bills.

The meeting participated in by Mr. Becker drew top men from about 10 insurance companies which are identified with the cooperative movement.

Another speaker was Noel Turner, advertising counsel for the State Farm companies of Bloomington, Ill. It was his thesis that company advertising and agency departments have a tendency to turn out new projects at too fast a clip. The pressure for production often prevents careful planning and full utilization of what has already been produced, he declared. Material which seems "old hat" to company people is new and vital to the agent or prospect seeing it for the first time, he said.

Philadelphia Life has appointed James H. Burdick assistant superintendent of agencies. Mr. Burdick has been with Home Life at Philadelphia for 12 years.

Prudential Has Two New N. Y. Agencies; Pacific Actuaries Draw Up Program for Fall Meeting

Prudential has established two new agencies in New York City and re-organized the Stuyvesant agency there. Osborne Bethea, since 1924 Penn Mutual general agent in New York, and Gerard B. Tracy will head the new agencies, Charles Schiff, associate manager of Stuyvesant, will take over that agency, succeeding Homer C. Cross, who is relinquishing managerial duties because of disability. He has headed the agency since 1944. Under Mr.



Gerard B. Tracy



Osborne Bethea and Charles Schiff

Schiff's direction, the agency will concentrate on brokerage business, in which

(CONTINUED ON PAGE 28)

The program has been completed for the fall meeting of Actuarial Club of the Pacific States at Pebble Beach, Cal., Oct. 29-30. The first day will be devoted to actuarial discussions and the second day to an underwriting session.

Participants in the first-day discussion of the 1951 annual statement blank will be Miss Dorrance B. Glasscock; Floyd E. Young, Western Life of Montana; Leo Nordquist and Glenn Morse.

Participating in the discussion of current problems and trends in the personal A. & H. business will be Ben J. Helphand, Pacific Mutual; Meno Lake, Occidental of California; A. C. Olshen, West Coast Life; Gordon Bingham, Northern Life of Seattle, and Robert N. Griswold, California-Western States. This group will discuss uniform policy law, catastrophe coverage on individuals, premium and claim accounting methods for statistical purposes and field compensation.

Engaged in a session on current problems and trends in group business will be Richard J. Mellman, Prudential; H. Robert McCorkle, Occidental of California; A. B. Brown, Metropolitan; Ralph J. Walker, Pacific Mutual, and Milton F. Chauner, Standard Oil of California. They will discuss California U.C.D. developments, methods of determining A. & H. claim reserve liability, and developments in hospital, surgical, medical care and catastrophe coverage.

In the session on organization for year-end work, the formal participants will be G. E. Cannon, Standard of Oregon; Frank J. Hogan; Barrett N.

(CONTINUED ON PAGE 28)

General Agent Leaders of John Hancock Meet

Business insurance, pension plans and field technicians were the featured topics at the general agency leaders meeting of John Hancock Mutual Life at White Sulphur Springs, W. Va. The subjects got both the producer and home office points of view, the speakers' program consisting of a number from each contingent.

The company's progress was reviewed by Paul F. Clark, president. He said that consistent increased production has been matched by larger policies, better selection, and better service to policyholders. In contrasting the thrift demonstrated by the nation's 83 million policyholders with federal expenditures, Mr. Clark said that the current budget of \$68 billion exceeds the assets of all American life companies.

Agents on the program were Rich Strong, Dallas; George H. Plante, Cleveland; Clarence Ohsner, Columbus, O.; Edwin R. Erickson, and Austin R. Feltus, Buffalo; J. Beryl Kemp, Nashville; Robert B. Pitcher, Boston, and Anthony J. Klug, Rochester.

Several usable sales ideas came out of these talks, including the comment that now is the time for an employer to set up a pension plan because of the tight labor market, the wage freeze and the excess-profits tax. The danger of becoming a specialist in any phase of the business also was mentioned. Security lies, it was stated, in having conversance with all phases.

A panel discussion on how self-analysis can lead to improved techniques and higher sales was conducted by members of the Ferrel M. Bean agency of Chicago. Led by William R. Bagg, assistant general agent, participants were Clark C. Cryor, C. Richard Faunt, Bernard L. Frazer, Charles P. Hawley and Gerald J. Spahn.

The amount of insurance necessary to give a man's beneficiary half of his current income after paying income taxes and life insurance premiums was suggested by Ross E. Moyer, vice-president, as a simple formula for determining the amount of insurance an individual should have for his family needs. A policy sold to cover a specific monetary need, developed definitely in the sale, is the most satisfactory business that can be written, he said.

Commenting on war restriction practices, Mr. Moyer said that in formulating rules a company must look at the overall picture of the business submitted to it. The fact that this results in varying practices is the way it should be in a competitive market, he added.

Philip H. Peters, 2nd vice-president, reviewed trends in group insurance, emphasizing that the market is far from the saturation point; George Vinsohaler, second vice-president, treated business insurance problems, and I. Radcliffe Massey, vice-president, reviewed highlights of the convention.

Top agents honored at the meeting were Milton E. Goldstandt, leader in total volume and total premiums William E. Davis, Louisville, leader in ordinary volume, Joseph N. Desmon, Buffalo, leader in ordinary premiums, and M. Y. Bullock, Baltimore, leader in number of lives. Mrs. Evelyn R. Hoyer, Columbus, O., led in total volume and Mrs. Vonnie Conrad, New York City, led in ordinary volume among women agents.

Mutual Pays Off on a Paid up

Jack Zimdars and Paul Stewart of Mutual Life at Madison, Wis., paid off a paid up ordinary life policy last week to Edward S. Cooper, 96, of Madison. Still alert, Cooper had always gone to the Mutual office himself to make his premium payments.

The COMMONWEALTH Commentary

A TRIBUTE TO OUR LEADERS

The men in Commonwealth's Ordinary Agency Department joined together during the month of August to pay tribute to the most important men in the company—THEMSELVES.

Now that the last app is through the mill and the winners have been announced, Commonwealth wishes to pay tribute to the men who made this August a month to remember.

UNDERWRITERS

ORVILLE GROFF

Dayton, Ohio

First place in applications.

F. G. ELSASS

Anna, Ohio

First place in volume

BRANCH MANAGERS

GILBERT WELLMAN

His Northwest Ohio Branch was tops on percent of assigned quota.

C. D. HASKINS

His West Tennessee Branch topped all others in volume.



The Doorway to Security

COMMONWEALTH
Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

Federal Austerity Only Way to Avert Economic Anemia

**Magill, Former Treasury
Under Secretary, Gives
ALC His Remedial Theory**

A three-year program of rigid government austerity is the only way to prevent the strength of the American economy from being dissipated by excessive taxation or inflation, Roswell Magill, former under secretary of the Treasury, declared at the final general session of the American Life Convention annual meeting at Toronto.

Mr. Magill said that such austerity involves sacrifice by every American of many peacetime services he is used to receiving from government. He added: "An austerity budget can afford no subsidies to business or to farmers, no federal aid to education, no handouts to able-bodied veterans, no pork-barrel construction projects, however pleasant and useful to the recipients some of these things may be."

Mr. Magill, who is president of the Tax Foundation and a trustee of Mutual Life, said that despite the new \$6 billion tax increase pending by Congress, a deficit of several billion dollars is expected for the fiscal year 1952. With expenditures for the fiscal year 1953 estimated at between \$85 and \$90 billion, an even greater deficit of from \$15 to \$20 billion is in prospect.

Taxes or Deficit

"We either pay through the nose in taxes or else there is a deficit, which is another and more dangerous way of paying through the nose," said Mr. Magill. "A deficit of several billions inevitably means more inflation."

The only source of revenue is taxation and the U. S. has "just about" reached the limit of taxation, he said.

"No additional tax burdens of any size can be transferred to the well-to-do, for they don't have enough money left any more to help the budget problem materially," he said. "No additional tax burdens of any size can be borne by the mass of the population, for they haven't much left either, after they pay for a living at present prices and taxes at present rates."

Mr. Magill pointed out that in order to get \$10 billion more from the individual income tax—and even this huge amount wouldn't solve the problem—the Treasury would have to take all taxable income over \$4,000.

Corporate Tax No Solution

Nor is the solution heavier taxes on corporations, said Mr. Magill, since corporations already pay up to 70% of their earnings and "can't be taxed much further without killing their activity and their growth."

Cause for hope lies in the fact that the heaviest military expenditures probably will end after the next few years, said Mr. Magill. He cited estimates by the staff of the joint congressional committee on the economic report that budget expenditures would reach a peak of \$87 billion in the fiscal year 1953 and be down to \$60 billion by fiscal 1956.

"These estimates are far from precise, of course, and they include too many extravagant items, but they show the trend," Mr. Magill said. "In other words, if we can somehow pay our way for the next two or three years, then, barring war, we can provide for defense without undue strain on the economy and without treading the primrose path of excessive taxation or inflation."

A three-year austerity program would enable the U. S. to get over this "hump"

B.M.A. Breakfast Host During A.L.C. Meet



At the traditional breakfast given by Business Men's Assurance during the recent American Life Convention meeting at Toronto: From left, Horace Brower, president of Occidental Life of California; B. N. Woodson, managing director of National Assn. of Life Underwriters; Charles E. Cleeton, general agent of Occidental at Los Angeles and president of N.A.L.U., the guest of honor at the breakfast; W. T. Grant, chairman of B.M.A., who acted as host and toastmaster; and Cecil Woods, president of Volunteer State Life, retiring president of A.L.C.

of indispensable expenditures, he said, adding that this necessary solution may be hard and disagreeable. "To be successful, such an austerity program will have to take root in every branch of our government structure and it must be rigidly supported in every home in the land."

Military Expenditures Waste

Citing examples of waste in military procurement, Mr. Magill said an austerity program for defense does not mean giving the military a blank check. "We must have the maximum out of every defense dollar spent," he said.

To carry out a three-year austerity program, the President should take the first steps in his January budget message, said Mr. Magill, but the main job would have to be done through the congressional appropriation process. He pointed out that, because of past authori-

zations, congress controls only \$24 billion of the \$71 billion in the President's budget for fiscal 1952.

To remedy the situation and to make an austerity program possible, Mr. Magill recommended adoption of the "clean-slate" approach suggested by the committee on federal tax policy. This would involve suspension by Congress of all spending authorizations except for the military and interest on the public debt. Congress would then restore only those expenditures vitally necessary in the present defense situation. After such suspension, the budget bureau would be directed to submit an alternative expenditure budget for fiscal 1953 which would not exceed estimated revenues for that year.

Farm Bureau Life will open a regional office at New Haven, Conn., Oct. 23.

Anthony, Gerard, Conklin Head ALC Financial Section

**Many Well-Known
Speakers on Toronto
Annual Meeting Program**

Julian D. Anthony, president of Columbian National Life, was elected chairman of the Financial Section of the American Life Convention at the final session of the A. L. C. annual meeting held at Toronto.

Other section officers are Victor B. Gerard, treasurer and manager of the bond department of Commonwealth Life, who succeeds Mr. Anthony as vice-chairman, and George T. Conklin, Jr., 2nd vice-president of Guardian Life, who takes over the secretary's post vacated by Mr. Gerard.



J. D. Anthony

The Financial Section had an outstanding program of speaking talent, including several prominent figures from outside the life insurance business.

Chairman Willard N. Boyden, vice-president of Continental Assurance, keynoted the session with a review of the present state of the nation's economy.

Boom to Stay or Not?

Weighing divergent views on the continuance of the present boom, Mr. Boyden said that those who believe it will keep on point out that defense expenditures are accelerating, disposable income will continue high, the recent sharp increase in the personal savings rate will not last and current heavy inventories will prove no burden; there will be a resumption of deficit financing and the administration will go all out to provide a boom as the background for the 1952 election.

On the other side, Mr. Boyden mentioned these reasons why the boom may end in the near future: a possible ceasefire in Korea with a dampening effect on the inflation psychology; the possible adoption of a defense policy designed to provide facilities for producing war materials with only limited stocks of those materials, a policy which the new Secretary of Defense is said to believe in; and realization that the deferred demand for cars, refrigerators, washing machines, etc., has been filled and current inventories are really excessive, a situation that would result in further slowing down of new orders for capital goods and subsequently reduced payrolls and employment, and price dislocations.

Deterioration in Position

Mr. Boyden said there is considerable evidence that many industrial corporations have suffered a material deterioration in their working capital positions in recent years. In 1950 alone there was an increase of \$17½ billion in total net corporate short term debt. However, the deterioration seems to be related mostly to the quality of the working capital rather than the amount. For example, estimates by the federal trade commission and the securities and exchange commission indicate that at the end of 1949 all manufacturing corporations in the United States had a net working capital of \$40.9 billion. A year later this had increased to \$44.9 billion. But during that year the ratio of current assets of those manufacturing corporations to their current liabilities dropped

Caribou Cuts

While the average food store was crying the blues about the difficulty of getting beef for sale, one of the eastern food fairs opened a new store of great size and modernity. But instead of trying to out-shout the others about the size, this store advertised that they would have "on sale for the first time from the counters of a super market some rare and wonderful foods."

They listed ostrich eggs and llama steaks, aoudad and reindeer chops, brisket of bison and tahr chops, elk tenderloin and cuts of caribou.

There was no difficulty in attracting customers who found that "They are all here, and more too." Many of us know what a bison is, few of us know what a tahr is, but there was enough curiosity to go around.

With the salt of imagination and the spice of a thought that many customers are on the look-out for something different to tempt the palate, here was a well-presented marketing idea. This illustrates one way of looking for prospects in our business. We may not care for aoudad meat but the man who thinks to sell it and the man who thinks to buy it are both the type of prospects worth watching for.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

from 3.08 to 2.53. Furthermore, on Dec. 31, 1949, the ratio of cash and U. S. governments to total current liabilities was 1.07, whereas on Dec. 31, 1950 the ratio dropped to .84%.

Mr. Boyden said that FTC and SEC figures show that for all manufacturing corporations in the first quarter of 1950 net working capital was equal to 108.8% of net sales. For the first quarter of 1951, the comparable figure was 87.4%. The decline was natural, he said, in a period of rapid industrial expansion, but it is noteworthy that smaller corporations seem to have fared less well than the average.

Capital Needs

If the boom continues and prices rise, Mr. Boyden observed, industrial corporations will need more and more working capital. In many cases it will not be possible to generate adequate working capital internally because of the very high federal taxes and because allowable depreciation is based on original cost and not on replacement cost. If a company becomes short of working capital and does not have access to the equity capital market its only recourse will be to borrow and it may already have substantial funded debt. Possibly many of the companies whose direct placements the life companies now hold will find themselves in this predicament.

Sooner or later the boom will end, Mr. Boyden emphasized, saying that it must be remembered that in the United States there have been 13 years without a real recession in industrial activity and doubtless many managements have never been confronted with really tough going.

Other speakers at the Financial Section meeting, most of whose talks are reported elsewhere in this issue, were Henry H. Edmiston, vice-president of Kansas City Life; Ronald A. McEachern, editor of the Toronto Financial Post; William R. Biggs, vice-president of Bank of New York and Fifth Avenue Bank and chairman of the board of the Brookings Institution; John Stuart, chairman of the Quaker Oats Co., who was the luncheon speaker; D. B. Mansur, president of the Central Mortgage Corp. of Canada and President Carol M. Shanks of Prudential.

Consider Taxing Employer-Paid Group Premiums

WASHINGTON — Treasury officials have under consideration a draft ruling from the internal revenue bureau to the effect that premiums paid by employers for accident and health, and perhaps for other group insurance of their employees, will be treated as taxable income to the employees for the year in which the employees pay the premiums.

Some time ago, insurance people had understood that if the department decided to do anything about such taxation, legislation would be sought, rather than to attempt to deal with it by regulation. Now, however, that situation may have changed. The draft ruling is pending in the office of the Treasury's tax legislative counsel.

An internal revenue spokesman says there may be almost as many different answers to the general group insurance tax problem as there are insurance plans, in view of the differences among such plans. It was also suggested that officials may be preparing regulations in the light of provisions of the new revenue bill, still before Congress, relative to annuities, pensions and other benefits.

Organized labor has been taking exception to the reported internal revenue attitude regarding taxability of insurance benefits, etc. Labor says such benefits go with a man's job. Internal revenue replies such benefits are payment for services rendered, no matter what they are called, and therefore are taxable. It is said some plans are tax-exempt, others not.

Points Out Real Inflation Threat

With America's background of economic philosophy, political pressure and party responsibility, only an optimist could feel that an effective anti-inflation program could be maintained over a period of years, William R. Biggs, vice-president of Bank of New York Fifth Avenue Bank and chairman of Brookings Institution, told the financial section of American Life Convention at Toronto.

Mr. Biggs painted a somber picture of the threat of inflation to the United States. He said it seems extremely unlikely that an individual of even moderate means will be able to find investments which in the long run will afford adequate protection against inflation in a high tax, full employment, welfare state.

Insurance Opportunity

Life insurance does have a great opportunity and a responsibility, Mr. Biggs said, in its trustee relationship to its policyholders. He pointed out that the business must sell these policyholders the conviction that inflation will not only destroy the purchasing value of their policies but, more important, our system and our world.

Reviewing the steps taken in the fight against inflation, Mr. Biggs said that the nation did, very reluctantly and very late, unpeg the government bond market and the subsequent rise in interest rates and the increase in bank reserve requirements have probably contributed to the reduction of inflationary pressures. But, he added, the Treasury, although conceding the importance of encouraging personal savings, has stubbornly refused to face "the facts of life." Thus, he asserted, although it is conducting an all-out campaign to sell savings bonds, it has refused to raise the rate of interest on these bonds and consequently they may be hard to sell.

Canada was praised for its fight against inflation, its increase in discount rate, the rate paid on its savings bonds, its "really tough" installment selling terms, its system of credit controls and the program which discourages unnecessary capital expenditures. According to Mr. Biggs, this last measure should prove an effective way of reducing expenditures and the strain on the supply of raw materials.

Explains Control Failures

On the other hand, he said that our direct control system is built around the allocation of raw materials, price ceilings and wage ceilings. It was declared that had the U. S. attempted to control the prices and distribution of a limited number of essential raw materials, there might have been some hope for the success of such a program. Government planners, he stated, have included most of the economy under so-called price and wage controls, instead of restricting their activities, and there is obviously little or no hope of enforcing such controls under less than all-out war conditions. Mr. Biggs concluded that experience during and after the last war showed how difficult it is to control

Agency Men Form Pacific Coast Club

An informal organization of agency department men on the Pacific Coast was launched at a dinner meeting at San Francisco to be known as Pacific Coast Life Management Forum. Much of the preliminary work for founding the organization was done by Clair O. DuBois, assistant superintendent of agencies at San Francisco for Equitable of Iowa, who was temporary chairman. Named co-chairmen for the next meeting to be held at Los Angeles next May were F. E. Bowen, agency supervisor of Pacific Mutual Life at Los Angeles, and George A. Landis, state manager for Franklin Life at Los Angeles. This meeting will coincide with the spring meeting of Southern California General Agents & Managers Assn.

Speaker was Henry E. North, vice-president of Metropolitan, who traced the great service that the life companies and their sales organizations perform for the American citizen.

The organization plans to hold a spring meeting at Los Angeles each year and a fall meeting at San Francisco. It will be composed of three groups. The first comprises eastern home office men who are non-residents, but whose duties are to supervise Pacific Coast business. In the second category are resident men representing eastern companies. In the last category are agency department officials for the Pacific Coast companies. There were 26 home office representatives at the charter meeting. Records were produced to show that there are 33 men on the coast who represent eastern companies in the agency department.

The discussion agenda contained such items as administration of financing plans, earnings of general agents and managers, selection, recruiting and training, cashier and clerical problems and rental and lease problems. There was a discussion of getting the general agents or managers on a self-sustaining basis in the first or second year.

Bankers L. & C. Appeals in Georgia Renewal Fight

Bankers Life & Casualty, seeking to renew its license in Georgia, has appealed the decision of a superior court to the state supreme court.

The lower court upheld Commissioner Cravey, who revoked the company's license on the grounds that it failed to provide essential information on its financial status and that it engaged in misleading advertising.

The company contends that a 1951 law giving the state discretionary powers to revoke, refuse or renew licenses other than on proof of financial status is unconstitutional.

Bankers' "White Cross" hospital policies in the state can still be serviced, but no new insurance business can be written.

prices, particularly without rationing, but this should not have surprised us, he said, as it has been the experience of controllers over hundreds of years.

Medical Directors Elect Dr. L. H. Lee Their President

Linford H. Lee, Pacific Mutual, was elected president of Assn. of Life Insurance Medical Directors at the annual meeting in New York. He succeeds Dr. Lauritz S. Ylvisaker, Fidelity Mutual. Other officers elected were Dr. Earl C. Bonnett, Metropolitan, 1st vice-president; Dr. Richard C. Montgomery, Manufacturers Life, 2nd vice-president; Dr. Henry B. Kirkland, Prudential, secretary; Dr. Walter A. Reiter, Mutual Benefit Life, treasurer, and Dr. James R. Gudger, Mutual Life, editor of proceedings.

Physicians must continue to respect cortisone as the most powerful hormone ever discovered but they no longer need fear it, Dr. Philip Hench, Nobel prize winner, told the physicians.

In discussing the progress which has been made since the discovery of cortisone, Dr. Hench, Mayo Clinic and University of Minnesota staff member, told the 275 medical directors that new uses are still being found for cortisone. Other hormones, also produced by the adrenal cortex of the body, are being studied and may also have their effect in producing better health.

The two-day program included more than two dozen other medical papers. In addition to Dr. Hench's paper, four other areas of medicine were discussed, including heart disease, overweight, public health and gastric disease.

Value of Weight Reduction

Highlight of the discussion on problems of overweight was a study presented by two statisticians of the Metropolitan Life, Dr. Louis A. Dublin, 2nd vice-president, and Herbert H. Marks. A feature of the study was the experience on those overweighters who were able to bring down their weight and subsequently obtained insurance at lower premiums. "This is perhaps the best evidence produced to date," the authors declared, "that there is long-range benefit from weight control."

The two from Metropolitan declared that as matters stand today, "weight reduction appears to be the only practical approach to the problem of preventing or retarding the degenerative disease of middle and later life, that now far out-rank all other diseases as a cause of death."

Praise from many speakers was given the Life Insurance Medical Research Fund, which is supporting research in problems of heart and other cardiovascular disease. Dr. Francis R. Diewaude, scientific director, reported that since the fund was organized late in 1945, it has allocated nearly four billion dollars to medical research and that progress is continuing in the search for ways to prevent or cure such conditions as rheumatic fever, hardening of the arteries, and high blood pressure.

Public Health Situation

The public health situation received a great deal of attention at this year's meeting, with Dr. Herman E. Hilleboe, commissioner of health of New York state, beginning the discussion with a report on what New York is currently doing to prepare for possible enemy attacks. Other speakers on this panel were Dr. George M. Wheatley, third vice-president of the Metropolitan, and Dr. Ronald F. Buchan, director of employee health of Prudential. Dr. Buchan presented reviews of what effect the institution of life insurance has had in bettering the health of the American people.

Three papers on overweight as a contributing factor in the development of other diseases were delivered by Dr. Thomas M. Durant of Temple University, speaking on atherosclerosis by Dr.

(CONTINUED ON PAGE 24)

Snapped at the American Life Convention meeting at Toronto: L. J. Kalmbach, president of Massachusetts Mutual; Peter M. Fraser, president of Connecticut Mutual, and Roger Hull, executive vice-president of Mutual Life.



U. S. Market for New Housing Not Close to Saturation Point

Barring a severe economic depression, there is no danger that the market for new housing in United States is approaching a saturation point, Henry H. Edmiston, vice-president of Kansas City Life, told the A.L.C. financial section.



H. H. Edmiston

"Even with a peace settlement in Korea it seems unlikely our rearmament program will be materially reduced at least for the next year or two," Mr. Edmiston said. "National income is still rising and should rise further with continued expansion of war production. There will be large housing needs in war production centers and in numerous other areas where there is still a marked housing shortage."

"Moreover, the rate of new family formation, the growth of existing families because of relatively high birth rates, and the ability of the home-building industry to stimulate demand by new styles and other improvements in their products, should make for an active housing market for many years unless we encounter severe depression. Under these conditions, the prospective supply of mortgages should be sufficient to give mortgage lenders assurance not to curtail drastically their mortgage organizations in this period when other investments may appear to offer more attractive yields."

Pressure Is Lessened

Because the investment portfolios of life insurance companies are in much better balance than they were at the close of the last war, Mr. Edmiston said, companies are not now under the same pressure to invest money as they were during the past five years and can afford to be more independent in formulating their mortgage lending policies.

"It should be remembered that regulation X and the various government mortgage insurance programs establish minimum down payments and maximum amortization terms," Mr. Edmiston said. "Investors are not compelled to offer these terms on loans but may require higher down payments and shorter periods of amortization. I believe today we can insist upon stiffer terms and still obtain all the mortgage loans we want because mortgage loan correspondents, home-builders and borrowers are more anxious to have commitments that assure them the money they need than they are in obtaining the most liberal terms permitted by the government regulations."

"Through skillful management of our individual mortgage loan portfolios and by offering constructive suggestions to Congress and the housing authorities, I believe the life insurance companies can do much to influence the course of national housing policy and keep it on a sound basis. By so doing, the life insurance industry can make a significant contribution to the fundamental long-run interests both of our policyholders and of the general public."

Pease to Lecture on Investments

A series of six lectures on the general theme "Investment Common Sense" is to be presented each Tuesday evening starting Oct. 30 at the downtown center of the University of Chicago at 32 West Randolph, Chicago. Robert H. Pease, vice-president of Draper & Kramer, Inc., is to be the lecturer for the series, which is being presented jointly by the university, Chicago Assn. of Life Underwriters and Illinois Bankers Assn.

Chicago C.L.U.s, Business Leaders Plan Joint Session on Business Insurance

Chicago C.L.U.'s and business leaders will join hands Nov. 15 for a discussion of "Current Uses of Business Life Insurance in Solving Business Problems." The meeting will be sponsored jointly by Chicago C.L.U. chapter and Chicago Assn. of Commerce & Industry.

Chairman will be James D. Cunningham, president of Republic Flow Meters Co., and head of the trustees of Illinois Institute of Technology. Talks scheduled include: "The Viewpoint of the Business Man Buyer," Arthur C. Nielsen, president A. C. Nielsen & Co.; "The Banker's Viewpoint," Guy E. Reed, executive vice-president Harris Trust & Savings Bank and president of Chicago Assn. of Commerce & Industry; "Legal and Tax Aspects," Cushman Bissell of Lord, Bissell & Kadyk, president Chicago Bar Assn.

There will be a question and answer panel led by Dr. Robert I. Mehr, University of Illinois.

Navarre Given Full Term

Commissioner Navarre of Michigan has been named by Governor Williams to serve a full four-year term. He had been, up to Oct. 11, filling out the unexpired term of David A. Forbes.

The full-term appointment requires confirmation by the senate and this may be done at a special session soon to be called by the governor.



notice any resemblance?

Maybe you can tell by looking at these three men that they are a father and his two sons. But the resemblance goes much deeper than physical appearance. You can trace it in the work they do—in their ideals and accomplishments. Because the Smithers of New Orleans—Jim, Sr., Jim, Jr., and Charles Smith—were another famous Union Central father-son group.

James Smith, Sr., known as "Uncle Jim," became a Union Central General Agent 38 years ago. It didn't take him long to make his mark—not only with The Union Central—but as a civic leader and as a family man. No wonder sons Jim and Charlie planned, at an early age, to follow in their father's footsteps.

As Jim, Jr., puts it:

"Even as a boy I was aware of the fine work Dad was doing. His sense of satisfaction and happiness was reflected in our home—in our every day living. I chose the only kind of work that could give me that same feeling of accomplishment—Life Insurance."

And says Charles:

"Life Insurance is a career of service that a man can

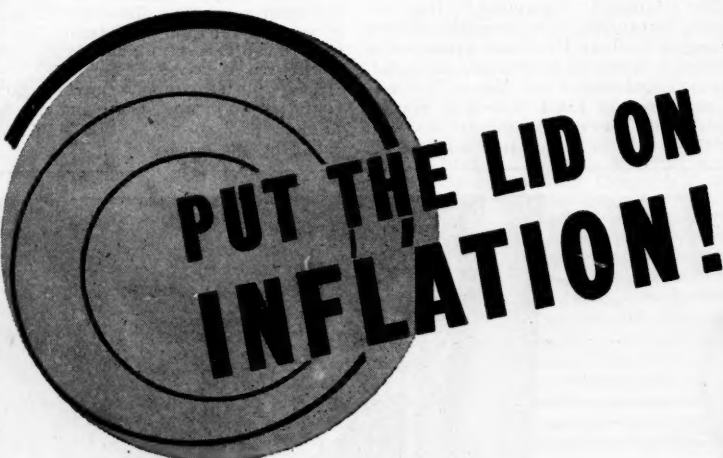
be proud to follow. And a Company like Union Central makes it possible for a man to do his best for others—and for himself—in this ever expanding field."

You can count on it—Union Central is the type of organization that's right behind its agents every step of the way. Excellent sales tools are always available. The Union Central Life Insurance Company has a wide variety of insurance plans and policies to meet every life insurance need from birth to age 70. What's more, Union Central provides a liberal retirement and pension arrangement for its agents to make their own future doubly secure!

The Union Central
Life Insurance
Company

CINCINNATI, OHIO





Buying things we don't need . . . outbidding each other for scarce items, sends prices soaring and puts the value of the dollar on the skids.

Saving instead of spending is the surest, soundest way to put a lid on inflation and avoid eventual disaster. Life Underwriters are America's most potent force in the fight against inflation. Life insurance takes dollars out of the high price inflation spiral and stores them away for the day when they will be more valuable because they will be more urgently needed.

Every life insurance policy put in force today is a triple threat to inflation. 1) It cuts down needless spending; 2) It builds economic security for the future; 3) It strengthens the purchasing power of the dollar savings of the 83 million life insurance policyholders in this country today.

Great Southerners are doing their share in this fight.

GREAT SOUTHERN

Life

INSURANCE COMPANY

HOME OFFICE HOUSTON 1, TEXAS

Seek to Lift Ban on Use of Word "National" in Titles

WASHINGTON — Insurance concerns would be permitted to continue using the word "national" as part of their name under specified conditions, if a bill introduced by Senator Hickenlooper, Iowa, for himself and 10 other senators, becomes law. It provides for inserting immediately before the last paragraph of section 709, title 18, internal revenue code, the following:

"This section shall not make unlawful the use of the word 'national' as part of the name of any business or firm engaged in the insurance or indemnity business, if such firm was engaged in such business under a name including such word on the date of enactment of this paragraph."

In the above connection, it is learned at Hickenlooper's office that Iowa Mutual wished to add the word "National" to its name, but was advised it would be illegal under the law above referred to, passed "about" 1945; that the Department of Justice objected to use of that word with insurance companies' names.

Hickenlooper's spokesman said "national" appears to have gotten into the law "inadvertently" at suggestion of a staff member; 45 companies have started use of the word in their names since 1945, he said. The bill, submitted informally to the department, is reported satisfactory to it.

Senators interested hope for early consideration of the bill by the Senate judiciary committee, but it is conceded it will probably go over until next year. If enacted, it would permit inclusion of "national" in names of companies using it, up until date of such enactment.

Agility of Zone Hoppers Put to Test This Week

The zone 4 commissioners are meeting at Oklahoma City Thursday and Friday of this week, thus testing the agility of those who try to take in all of the zone meetings and were at Chattanooga Tuesday and Wednesday for the zone 3 meeting. Most of the discussion will center around fire and casualty rating problems and automobile insurance especially. Howard Austin, of the Oklahoma department, and Robert Rydman of H. & A. Underwriters Conference are scheduled to lead a discussion Friday on "Practice of Issuing Hospitalization and A. & H. Policies to Over-Aged Persons."

Graves of Arkansas is chairman of the zone. At the luncheon the first day with Joe D. Morse, president of Home State Life, as general chairman, Homer Jamison, managing director of Oklahoma State Assn. of Life Underwriters, gave the invocation. The visiting commissioners were introduced by Commissioner Dickey of Oklahoma. Frank Sullivan of Kansas, president of N.A.-I.C., gave a talk. Arrangements have been made for taking the group to the Oklahoma-Kansas game at Norman Saturday.

Shattuck Milwaukee Speaker

Mayo Adams Shattuck, Boston attorney and authority on trusts and estate planning, will speak at a dinner meeting of Milwaukee Life Insurance & Trust Council Nov. 12 on "Some Procedures Used in Planning for Family, Business and Estate Protection."

ILL. Revenue is \$17 Million

Revenue collected by the Illinois Insurance department during the fiscal year ending June 30 amounted to nearly \$17 million, an increase of approximately \$1 million over the preceding fiscal year, Director J. Edward Day has reported. Almost \$16 million of the total was derived from the privilege tax levied against out-of-state companies,

and the remainder came from the state fire marshal tax and from fees for company examinations, agents' examinations and licenses.

Population No Sure City Income Guide

Some interesting figures for life insurance salesmen are provided by special studies made by the U. S. Bureau of Census which show that the size of a city does not necessarily determine the size of the income of the average family living there. A conclusion seems to be possible from the study that many a smaller city is apt to offer equal or better chances for financial advancement on the average than a big city.

A good example of this is shown in that the New York-northeastern New Jersey metropolitan area, by far the largest in the nation on a population basis, ranked 12th in median family income in 1949, the year for which the bureau's census figures were compiled. It was outranked by a number of very much smaller metropolitan areas, such as Hartford, Rochester and Dayton. Five of the nation's Big Ten metropolitan centers, namely Los Angeles, Philadelphia, Boston, Pittsburgh and St. Louis, were well down on the list.

Washington Leads

The top city in median family income was Washington, where half the families had incomes of \$4,130 or more. Washington currently ranks 10th in population among metropolitan areas.

Two of the nation's biggest cities, Detroit and Chicago, are in second and third position in median family income ranks. The next two, Cleveland and Milwaukee, are not among the 10 biggest metropolitan areas and No. 6 on the median is Hartford which is in 47th place among the population areas.

There were half of the 13 leading cities in the median family income bracket which were in the middle west, with four in the east and two in the far west.

Generally, cities which ranked high in median family income had a larger than average number of families in the \$5,000 a year and over class.

The top 12 ranking metropolitan centers are as follows: Washington, Detroit, Chicago, Cleveland, Milwaukee, Hartford, San Francisco-Oakland, Rochester, Seattle, Dayton, Minneapolis-St. Paul, New York-northeastern New

Sales Management Course Opens in N. Y. Next Week

H. G. Kenagy, vice-president of Mutual Benefit Life, will conduct the course in sales management offered by the school of insurance of the Insurance Society of New York, beginning next week.

This is a part of the new life insurance agency management program planned by the American College, L.I.A.M.A., and educational authorities from collegiate schools of business. Its purpose is to help in the development of life insurance sales managerial talent. Classes will be held also in Boston, Philadelphia and Seattle.

Designed for present and prospective general agents and agency managers, the study and examination program is divided into two parts: part 1—business administration, including business organization and management, human relations and leadership, accounting and agency finance, and business statistics; and part 2—sales and office administration, including sales management, market research and office management.

Fox River Club Meets

Equitable Reserve was host to the monthly meeting of Fox River Valley Insurance Club at Neenah, Wis. B. P. Boykin, field office manager of the social security administration at Oak-kosh, discussed "Social Security and the New Amendments"

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McAndless Warns of Over-Restriction of New Companies

While the life insurance business should guard against new companies started as purely promotional schemes, it must also not seek legislation so restrictive as to create an adverse environment for the development of new legal reserve companies, A. J. McAndless, president Lincoln National, told the Indianapolis General Agents & Managers Assn. at its monthly dinner meeting.

Mr. McAndless, speaking as part of a panel on "What Is the Obligation of the Life Insurance Business to the Citizens of Indiana?" also warned against agents' qualification laws which would eliminate the part-timer entirely.

Part-timer Valuable

"The part-timer can be a definite service of the life insurance business to the public," he declared. "Often he is the only service we offer in rural and small town areas, and without him, fewer people would have the advantages of life insurance. Moreover, from the ranks of part-timers have developed many outstanding career life underwriters."

Other members of the panel were Doyle Zaring, agency director Indianapolis Life; Fitzhugh Traylor, manager Equitable Society, and G. R. Huffer, district manager Prudential. Oren D. Pritchard, manager Union Central, president of the association, presided, with R. W. Osler, Rough Notes, acting as panel moderator.

Inadequate Rural Job

Mr. Zaring charged that the business has not done an adequate job of servicing the rural and small-town markets and warned that "if we don't provide the coverage they need, someone else will." He also expressed the feeling that "while our hats should be off to the weekly premium man for the job he has done servicing the blue-collar market, the fact remains that the average size death claim paid in the state is an indication of the inadequacy of our service to this market. Our emphasis on programming, estate-planning, professional men, and business insurance has led the ordinary companies to neglect the wage earner, and the weekly-premium man needs help in serving that segment of our citizens adequately."

Mr. Traylor declared that home offices must be alert to changing economic and social trends and provide flexible coverages to meet changing security and savings needs.

Protection for All

Mr. Huffer expressed the opinion that every citizen must be given an opportunity to buy needed protection regardless of his economic classification, and he declared that the protection offered should be against all hazards to income, disability included. He also cited as a responsibility of the business, the providing of credit for housing and business expansion wherever credit is needed for the good of the economy and is not merely inflationary.

Addresses Newark CLUs

Clarence B. Metzger, 2nd vice-president of Equitable Society, was the speaker at the October luncheon of Newark C.L.U. chapter. C.L.U. diplomas were conferred.

Prudential Raises Salaries

Prudential has granted a salary increase of about \$3 a week to 9,000 clerical personnel in its home office and field. The raises were made after studying salary scales in many communities throughout the country.

Fla. Deputy Resigns

Hugh Christie has resigned as Florida casualty deputy commissioner, to become associated with the Jacksonville general agency of E. Dana Johnson & Co.

Investment Policy Can't Be Determined by Tradition

Business must take a forward look and not let too much policy be determined by tradition, if it is to meet the necessities of rapidly changing world conditions, Ronald A. McEachern, editor of the Financial Post of Toronto, told American Life Convention at its meeting there.

Referring to investment policies and trends, he raised the question "whether the traditional patterns of life insurance investment are going to be good enough

for tomorrow."

American investors, including those placing life insurance funds, were urged to give increased attention to the money needs of Canada in the years ahead, in mutual interest. "The facts of history have always confirmed the truth that a country does far more trade with a highly developed country than with an underdeveloped country," he added. "In permitting Canada to increase her industrial strength and maturity, you help yourselves."

Mr. McEachern pointed out that, while in 1926 about half of Canada's new investment was financed from outside

its borders, today nearly \$9 billion of foreign capital is invested in Canada, 80% of it American money. But this year, he added, Canadian money will be financing about 85% of Canada's new investment.

As for the investment opportunity, he cited the recent growth in Canada, compared with the U. S., showing a more rapid advance in the Dominion. Since 1939, he pointed out, population has increased 20% in Canada, 16% in the U. S.; employment in manufacturing has risen 85% in Canada, 48% in the U. S.; gross national product has increased 81% in Canada, 69% in the U. S.



C. S. BUCHANAN
New Hampshire



J. F. COLLAR
Tulsa



F. J. CONNOR
Oklahoma City



L. E. CRANDALL
Providence



C. A. ELVERUM
Watertown



R. W. FERGUSON
Ft. Wayne



A. J. WOODWARD
Los Angeles



H. C. TODD
Chicago Central



H. E. TAYLOR
Oakland



P. P. STEWART
San Francisco



D. R. SCHIED
Indianapolis



B. W. RANDLE
Dallas



L. M. B. MORRISSEY
Davenport



B. S. LYON
Tennessee



J. E. LUPIN
Detroit



G. R. LARSON
Hollywood



E. W. LAKIN
Charlotte



C. E. GOODFELLOW
Atlanta



W. A. HUNT
Cleveland



WARREN INGALLS
Baltimore



G. H. JENNINGS
Interstate

21

MANAGERS

from our own ranks!

AT THE COMPANY'S 100th ANNIVERSARY MEETING, TWENTY-ONE PHOENIX MUTUAL REPRESENTATIVES RECEIVED MANAGEMENT PROMOTIONS. NINETEEN WERE NEWLY APPOINTED MANAGERS. TWO RECEIVED ADVANCEMENTS TO LARGER AGENCIES.

TWENTY-ONE who have never served in any other life insurance company than Phoenix Mutual.

TWENTY-ONE who have had several years of sales experience in Phoenix Mutual.

TWENTY-ONE who have had years of management training before appointment.

TWENTY-ONE men promoted from our own ranks.

TWENTY-ONE years have elapsed since Phoenix Mutual has appointed any man to a position of responsibility in our sales organization — except from our own ranks.

PHOENIX MUTUAL
LIFE INSURANCE COMPANY
of Hartford, Connecticut

Articles Saying Long Term Inflation Is Inevitable Stir Economists' Wrath

Life insurance executives on the advice of their economists are giving deep thought to a series of four articles on the subject of inflation that appeared in recent issues of "The Economist," London financial newspaper.

The articles expound a type of economic philosophy which if accepted would endanger the financial structure of this country. Because of their growing readership here they pose an immediate menace to the fight of the life insurance business against inflation.

The author took the position that long term inflation is inevitable. Consequently, he suggested, all monetary contracts should be revised and their payment features adjusted to the cost of living—sort of an escalator clause in all life insurance policies, for example, or in government bonds, keyed to the value of the dollar.

The articles attracted immediate attention everywhere. In this country copies of them are circulating in banking and financial circles generally and summaries or reprints have been distributed among top officials of many life companies. Financial writers in many daily papers have discussed them, stimulating interest.

Though not all of the ideas presented in the series are new, apparently they have never before been wrapped up in such an interesting package. The author summarized in lucid, concise fashion a wide variety of ideas on inflation that have been heard over the years. His trend of thought is fascinating to the financial and economic mind though the reader may disagree with what he is reading.

Life insurance men haven't formulated complete rebuttals to his statements, but essentially they assert that the position taken by the writer is much too extreme and fatalistic in its acceptance of the idea that inflation cannot be stopped. They agree with the editor of the magazine who, in a fourth article, disputed the position taken by his unidentified correspondent in the first three articles. The editor of "Economist" is Geoffrey Crowther, a director of Commercial Union, one of the largest insurers in Great Britain. It operates in the fire, casualty and life fields. Insurance executives are even stronger in their opposition, however, than his rebuttal. They feel that many assumptions of the correspondent are not substantiated. It seems likely that they will become ar-

ticulate in denouncing what was written as soon as the articles get the greater national readership that seems in store for them.

Agents soon will be faced in sales competition with the articles and the frame of mind they encourage. It is prevalent to some extent already. The inflation "objection" will be magnified. This may bring many agents for the first time into close contact with the seriousness of the inflation problem and make them realize that they must help do something about it. Fighting inflation is not just a home office battle.

Mutual fund salesmen and securities dealers pushing equities particularly can be expected to flood the country with reprints of all or part of the series of articles and the thoughts contained in them in the next few months. These will be aimed at encouraging the purchase of equities as a means of beating inflation with a consequent discouragement of saving through life insurance.

The articles report on the existing conditions in Great Britain but may reflect the present or future economic situation here. This country seems to some to follow England's economic and social trends although the time lag is considerable.

REASONS FOR TREND

The correspondent writes that inflation will continue to rise on the average of years as far ahead as human wisdom can see. He concedes that there may be minor setbacks in the trend. The factors encouraging inflation, he says, are war, the cold war, the increasing strength of trade unions, the sanctity of full employment, Keynesian economic doctrines, the shift to the left politically, expanding social services, the trend to equality of incomes and of capital wealth, the price control habit, the end of free trade and of the gold standard, the headlong urge to industrialism on the part of backward, politically independent countries, inter-governmental charity—from the welfare state to the welfare world, and the end of laissez faire.

All current insurance practices, he says, rest on a 19th century base. They are not geared to the inevitable long term rise in prices.

Suggests Equities

He offers sixteen proposals for consequential action. One of his recommendations is "Very likely equities—or to be precise, shares in investment trusts that hold only equities" should become the obvious trustee security. "A society which provides no trustee security for the care of widows and the maintenance of charity is simply failing in one of the more elementary amenities of a civilized community." Laws governing the investment of trust funds, including insurers, should be altered, he contends, to forbid the purchase of fixed interest securities.

He would tie all wages to a cost of living index. There is great injustice caused by inflation, to social services and state pension, he states, and there is most injustice when these lag badly behind prices. Bonds bearing no interest but redeemable at par multiplied by the rise in the cost of living could hardly fail to be a great success, he maintains.

NEW TYPE POLICIES

A specific comment on insurance is: "There should be a new basis for most kinds of insurance. At present, the insurance contract is of the form 'I pay the company a fixed sum annually and when I die or retire or the untoward event happens, it pays me a fixed sum, which it hopes will be covered by my premium.' We should substitute where possible a contract of the form 'I pay the company an annual premium increasing yearly with the cost of living and it promises me a sum which increases the same way.' By this method the company pays the claims of my predecessor out of what I currently

pay in and, generally, my successors pay for me. By the present method all insurance is biased against the insured who pay in good money to receive bad."

Later, after commenting on the disparity of World War I pensions and industrial pensions of 1944 in relation to the price structures existing in those periods, he says: "All compulsory private pension insurance schemes which take good money today and return bad money tomorrow, are unjust."

Editor's Response

The editor responded that some of the arguments of the correspondent were overstated. For example, he didn't think that the trade cycle has been abolished. He explains that the "social objection to inflation is that it is unfair. In effect, it defrauds—for the benefit of the rest—all those people whose claims on the community are at present fixed, or nearly fixed, in money terms. It defrauds, that is to say, pensioners, holders of fixed interest securities of every kind, creditors in general, most people who save, people who insure themselves, many salary earners, and those wage earners whose bargaining strength is relatively weak." What the correspondent wants to do is "remove the inequity and fraud by making the fraud universal. That way everyone would get more and no one would be defrauded."

But perhaps the greatest weakness in the correspondent's position, as seen by the editor and by life insurance men, is his ignoring the concept that the major brake upon the speed of inflation is the degree of confidence, even in a manifest inflation like the present, that people still place in the value of money. (For example, says the editor, more life insurance is being sold now than two years ago when the general view was that prices were as likely to fall as to rise.) To destroy that confidence is to take the brakes off inflation, he says.

Destroy People's Confidence

Every one of the correspondent's proposals tend to destroy that confidence. "Once it is generally believed that it is inevitable, and particularly if the belief is formally embodied in the economic structure as would be done by these proposals, then that belief automatically makes inflation worse." Then we will have a galloping inflation not just inflation are his views. Everyone would get rid of all his savings. "Once the inevitability of inflation is accepted its consequences are no longer those of moderate inflation—inconvenience and inequity affecting countless individual transactions. They are a flight from the currency and the broad social and economic disorganization that it involves."

FATAL TO INSURANCE

Manifestly the life insurance business is in complete opposition to the view that inflation can't be prevented. It strikes at the very vitals of the business, at the very structure of American society, executives believe. Life insurance is committed to the idea that inflation must be fought in every conceivable way. Expressions of this belief are the campaigns of the Institute of Life Insurance and individual companies against inflation, the statement of the Life Insurance Assn. of America and American Life Convention on inflation, and the voluntary credit restraint program in which the business participates as well as using its influence in every other way it can to fight inflation.

Don't Give Up the Fight

Several life insurance economists commented that the correspondent was "cock-eyed," that it is dangerous to contemplate the consequences of public acceptance of the idea that inflation is inevitable, that the very dissemination of the idea tends to narcotize efforts to fight it. They express the conviction that inflation must be fought tooth and nail.

Even if the articles represent an attempt to defraud, they are a defraud.

(CONTINUED ON PAGE 24)

NUMBER TWO in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

TRAINED FOR SUCCESS

Field underwriters of the Equitable Life of Iowa are expertly trained. New associates are enrolled in a combined study and field project known as the Basic Training Course. The next step in the training process is attendance at a Home Office School. Then follow two Intermediate Training Courses featuring estate plans, business insurance fundamentals and programming. Cooperation is given eligible associates in their attainment of the Chartered Life Underwriter designation. Continuous personal supervision is given to the training progress of all recruits.

EQUITABLE



Life Insurance Company
OF IOWA

FOUNDED IN 1867 IN DES MOINES

Sees Large Scale Housing Returning by 1953 or 1954

Resumption of large-scale housing construction may be expected by 1953 or 1954 and life insurance funds can be looked to for an important part of the necessary financing, D. B. Mansur, president of Central Mortgage & Housing Corp., Ottawa, said in addressing the closing session of American Life Convention at Toronto.

"Most of the industrial capital facilities and military installations required may have been created in both the United States and Canada by 1953 or 1954," Mr. Mansur said. "Our countries would then be reasonably well equipped to turn out the quantities of armaments and munitions considered necessary to assure national security and to keep at least an armed truce among nations. By that time, we in Canada may have sufficient resources available to return to our level of close to 100,000 new houses a year. This would be equal to over 1 million units in the U. S. on the basis of population or about 1½ million dwellings on the basis of the national output of the two countries."

Chief Sources for Financing

Chief sources for the financing to see such a building program through were listed by Mr. Mansur as (1) an increase in the mortgage investment ratios of Canadian companies; (2) expansion of their mortgage business by U. S. life companies which have investments in Canada and (3) greater institutional mortgage lending, particularly by including commercial banks. As for the Canadian investment of U. S. life companies, Mr. Mansur pointed out that while the present total is \$150 million, it is only about 7% of their total assets. If they increase their Canadian mortgage investment to the same ratio as that applying to their U. S. mortgages, that alone would mean an additional \$400 million of new mortgage money.

Comparing the growth of life insurance with that of the economy as a whole, Mr. Mansur said life insurance has grown at a less rapid rate than the economies in both U. S. and Canada. Emphasizing that there is no good reason why this should be true, he said the two nations "can rely on the imagination and skill of life executives and the excellent organizations at their disposal to make this industry an ever-increasing factor in the absorption of individual savings. This in turn will make it possible to provide the people on the North American continent with the increasing economic security they want. Life insurance companies will be participating to an even more important extent in national development, which is a basic requirement of the strength and prosperity of both your country and mine."

The wide individual and family interest in life insurance was shown by an analysis Mr. Mansur made of a sample of his organization's male employees, aged 44 or under, in higher salary groups. Every one of them felt he did not have enough insurance; about 50% were regularly saving in other forms; 92% expressed the hope that the corporation would increase the group coverage available.

Taxes Confuse Employers

The division of employment security of the New Jersey department of labor and industry, which administers the state's temporary disability benefits law, is having trouble with employers who are not subject to the law but who are making payroll deductions for disability and unemployment insurance.

Recently there has been an increase in the number of cases of claimants who lacked wage credits but insisted that their employers had made the deduc-

tions. The governmental agency can't do anything about it since it is not a "party in interest." The claimants may turn to the state prosecuting officials when they believe fraud has been committed. The amount of taxes collected, however, generally is small and for brief periods of employment, which results in a reluctance to prosecute.

The department is now suggesting to employees that they look for a placard issued by the department to all employers subject to the law. Those employers who do not have the placard aren't permitted to make the deductions.

Much of the misunderstanding is due to small employers' confusion in the

application of the law to their business as well as a mix-up between that insurance and the federal old age and survivor insurance tax.

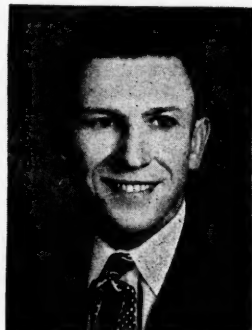
VA Ups Crosson, Trinkle

WASHINGTON—The VA has appointed Harry J. Crosson manager, and E. Lee Trinkle, Jr., assistant manager of insurance at the consolidated Philadelphia office to handle the insurance and death claims for 14 eastern states and the District of Columbia. Mr. Crosson is a career man with the VA, having joined it in 1925 and having been at Philadelphia since that

time. Mr. Trinkle was in the business from 1932 to 1944, when he entered the navy. He joined VA at Washington in 1945 and has been insurance director at Richmond for several years. He is a son of E. Lee Trinkle, former president of Shenandoah Life.

SMU Graduates 32 Nov. 10

The 32 members of the senior class in the Southern Methodist University course will graduate Nov. 10. During the 20-week interim period when these students worked in the field, the five class leaders sold an average of \$280,000 of life insurance.



JACK A. McLEOD

Jack McLeod became actively engaged in the sale of Franklin exclusive contracts in the late summer of 1949 in the thriving little community of Clarkston, Washington, (Pop. 3,116). Previously he had been associated for several years with another company, and was one of its production leaders. In the past twelve months his earnings exceeded by \$7,000 his best year in the previous connection. Here is a record of his Franklin earnings:

Cash Income	
Aug. 1, 1949-Aug. 1, 1951—	
.....	\$19,617.40
Year ending July 31, 1951—	
.....	12,621.04

We are proud of Jack McLeod's splendid accomplishments.

3 GENERAL AGENCY
OPPORTUNITIES IN
WISCONSIN

"HAPPINESS AND PROSPERITY BEYOND MY FONDEST EXPECTATIONS"

August 31, 1951

Mr. Chas. E. Becker, President
Franklin Life Insurance Company
Springfield, Illinois

Dear Mr. Becker:

Having just recently completed my second year with the friendly Franklin I find myself reminiscing. My records show that from August 1, 1949 to August 1, 1951 you paid me \$19,617.40; in fact during the past 12 months ending August 1st you paid me \$12,621.04. These figures of course do not include any deferred commissions.

This exceeds my best year with my previous company by over \$7,000. I feel greatly indebted to the friendly Franklin for making financial security a fact not just a dream.

The decision I made two years ago was one of the most important and wisest decisions I have ever made. The happiness and prosperity I have enjoyed these past two years have far exceeded my fondest expectations.

With warmest personal regards,

/s/ Jack A. McLeod

An agent cannot long travel at a faster gait than the company he represents.



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over A Billion Dollars Of Insurance In Force

Substandard Business Increases

Sales, Selection Methods Woo Extra Cases

By DONALD J. REAP

A wide variety of developments in home office selection departments coupled with increased understanding among agents of the techniques and skills needed to sell and place substandard business is producing in that field some of the greatest and most interesting progress in life underwriting that the business has ever experienced.

Life insurance is being made available to ever greater segments of the population in carrying out its social role as the country's leading savings and family protection medium.

War and post-war developments in medical science have encouraged many significant liberalizations in company underwriting practices. If it were not for these changes the recorded volume of substandard would probably be larger than it is. But as more lives are brought within the insurable pale, others move out of the rated classes into the standard category, hiding to some extent the improvements in this field.

Many agents are developing special skills in selling rated business. Their efforts are being aided by sales-motivated selection department methods.

Companies aren't emphasizing medically substandard business and agents are not being urged to look for it but when a substandard risk turns up it isn't looked down on as it was in former days. There is a general tendency to broaden the boundaries of insurability. Companies also will write higher amounts on below average cases.

Every Risk "Standard"

To avoid the seeming stigma of the word substandard some companies have picked new names for it, for example, "special class," etc. Brokerage specialists are adopting the nomenclature concept used in fire insurance where all policies are "standard" in keeping with the risk involved. For example, the fire rate in a frame building is just as "standard" as the lower rate for an all-brick building.

There is about \$10 billion of substandard in force on more than four million policyholders. This is about 6% of the total ordinary in force. On an industry-wide basis in 1950 it amounted to 10% of all new business. The most recent figures on ratings developed by the Institute of Life Insurance show that their causes were: medical history 10%, cardiovascular-renal disease 25%, overweight and underweight 15%, other physical reasons 10%, occupation 30% and other reasons 10%.

There have been tremendous changes in medicine during the past 30 years. The discovery of insulin was followed by the introduction of the sulfa drugs, antihistamines and the antibiotics (penicillin, aureomycin, streptomycin, etc.). Although many of these have simplified the immediate treatment of a number of diseases, they complicate the picture from a selection standpoint. What permanent effects will some of these drugs have? The insurer has to take a long-range view. Nevertheless, the new drugs and new surgical and diagnostic procedures have made it possible to liberalize the underwriting of many impairments. Less frequently they have caused companies to tighten up. Insurers are faced with an ever-changing medical picture, even though a decade is hardly enough time to gain a mortality experience.

Reinsurers Help Trend

The experience of reinsurers has played a significant part in encouraging conservative companies to enter the substandard field. Several large companies have reinsured their entire substandard writings, relying on the courage and skill of the reinsurer to make it a success.

There are many impairments which do not appear frequently enough for a single company, unless very large, to develop an experience within a reasonable time. The reinsurers have greater spread because of their contributing companies. They are in a better position to do experimental underwriting.

NOT EXACT SCIENCE

Medicine is not an exact science and the human being cannot be run through an I.B.M. machine. No company is interested in having a high declination rate. They all try to insure applicants whenever there is justification for accepting the risk standard or for an extra premium.

There is a steadily growing list of companies shown in "Who Writes What?" that will write substandard

business, write term or substandard, take increased limits, or accept diabetic, heart disease, high blood pressure, tubercular, ulcer, or weight cases.

Companies have been increasing the percentage of mortality rating up to which they will write. (It is estimated, however, that about 90% of the insurable substandards have a mortality rating of 200% or below.)

Competition is a prominent factor. Companies want business, and pressure for it induces them to accept some cases. Underwriters view risks differently. This natural difference of selection thought assures that no one negative opinion need be final.

Medicine has become a highly specialized profession. A number of companies retain consultants in various fields, such as cardiology, chest, etc. The opinion of specialists often makes possible a more favorable decision in a case.

There are a number of impairments for which there is no experience to use as a guide. Some companies may see fit to do experimental underwriting for limited amounts, usually small. Their rating is usually based on the best clinical evidence available. A rate is applied which they feel will cover the situation in light of the evidence they have obtained.

New Ideas Tried

Underwriters are more willing to try new ideas today. Heart murmurs, for example, are one of the most troublesome sources of ratings. Several doctors may give different interpretations. No machine will give the right answer every time. Companies may weigh the opinions of several doctors or use different doctors for separate parts of an examination. But even with electrocardiograms and other devices there is considerable crystal-ball gazing in the underwriting field. No one knows all the answers and some companies are prepared to underwrite almost any risk at a rate. It is surprising how much standard and substandard business is issued even after an electrocardiogram has been criticized.

Companies have adopted procedural improvements to facilitate substandard underwriting.

Some allow one underwriter to approve policy issue but require two to rate and four to reject.

In some companies, home office doctors are making periodic tours of agencies countrywide. Advance notice of these trips is given so that agents can alert rated or questionable risks to appear for an interview and examination.

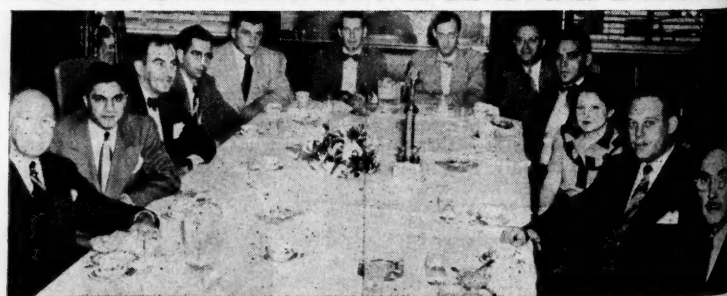
(CONTINUED ON PAGE 20)

Over
\$7,000,000.00
Congratulations!—

and thanks—to the men and women of our field organization who established a new record production during our nineteen fifty-one Anniversary Campaign.



Central Standard Rewards South Bend



Central Standard Life awarded its MacArthur month prize to the South Bend district organization at a luncheon held at South Bend. The individuals in the picture, left to right, are A. C. Young, assistant director of agencies; Monieff Siade, assistant manager at South Bend; Capt. Harry Jennings, former manager at South Bend; Raymond Schlagelmilch; Eugene Van Dusen; Eugene Bridger; Joseph Smith; Leo Duprey; James B. Parker; Marietta Mann, cashier; Harry L. Schroeder, director of agencies; and Walter C. Kusener, South Bend manager. Mr. Schroeder made the presentation which was based on the highest percentage of ordinary average production during the month in honor of Alfred MacArthur, chairman. Capt. Jennings had just completed a course in the field artillery school at Fort Sill, Okla., and is now en route to Korea.

Balanced Family Capital Account Is Big Need Today

This presentation, given by Lowell F. Schwinger, general agent of Northwestern Mutual at Cedar Rapids, Ia., at the commencement exercises concluding the 17th session of the Purdue course, has been very successful in closing business for him.

My approach to a client—over the phone or when I stop to see him—is: "Are you free so that we can talk for a minute?" If he says no, I find out when I can call back. If he says yes, my opening statement is: "You've read and heard a lot about inflation, but have you given consideration as to what effect the purchasing power of the dollar will have on your family capital account?" He probably will say no—or yes—or something else, but whatever he says, my following statement is always the same.

Koster & Dana Co., industrial economists of New York, say that it is not economic theory but just plain common sense that in order for a family to be safe they should have a balanced family capital account. A capital account to be in balance should have 50% equity investments and 50% fixed dollar investments.

You can say: "What's so important about a balanced family capital account? What do you mean by equity investments and fixed dollar investments?"

A fixed dollar investment is a savings account—E bonds, cash value of your life insurance, in fact, anything that has a known value in dollars available on demand.

Equity investments are real estate, business, stocks, farms, livestock, crops, equipment—anything you have to bid your time to sell in order to come out.

Two General Types of Inflation

There are two general types of inflation; one is ruinous or printing press inflation (as it was called in Germany), the other is called normal inflation. This is the inflation we are experiencing now.

Technically the process of normal inflation and deflation is going on all of the time. If the market goes up or down, it is inflation or deflation, for what is actually happening is that the value of the dollar has gone up or down.

In other words, in the normal economic life of the nation, inflation and deflation is going on continuously, and about the only attention we pay to inflation at first is to say: "I see the price of eggs went up again today."

During a period of normal inflation we may have to work a little harder to make ends meet, but we don't get panicky and say: "Inflation is here! Woe is me!"

Actually we are or should be, far more fearful that we will hit a period of drastic deflation such as 1932.

In the last 151 years, with the exception of 10 years, we have never had as cheap a dollar as we have today. Those 10 years were four years following the War of 1812, three years following the Civil War, and three years following the first war.

This means that in the last 151 years, 94% of the time the dollar had a much greater purchasing power, which indicates a deflationary period, and 8% of the time a lesser purchasing power, which indicates an inflationary period and proves that inflation is of short duration.

I will tell you why a balanced family capital account is of primary importance. Perhaps I can show you best by using a simple illustration. Let me tell you about an experience I had working with a young farmer who said that in 1932 his father called him one morning and said: "Son, if you will look down at the corner of the grove for a minute, you'll see the wealthiest man in the county." When he saw who it was

he said: "Why, Dad, that's just the mail man." His father said: "Son, he gets \$200 a month. We own the best 160 acres in this state, and I can't even pay the taxes."

In 1932 we had a \$1.47 dollar—and today we have a 37c dollar. In 1932 the mail carrier with the \$200 a month (of \$1.47 dollars) was in the driver's seat, but as the purchasing price of the dollar decreased his position changed, so that even today, if his salary is doubled and he is getting \$400 a month (of 37c dollars) his purchasing power is still cut 50% today against 1932, because 400 37c dollars are only equivalent to 100 \$1.47 dollars.

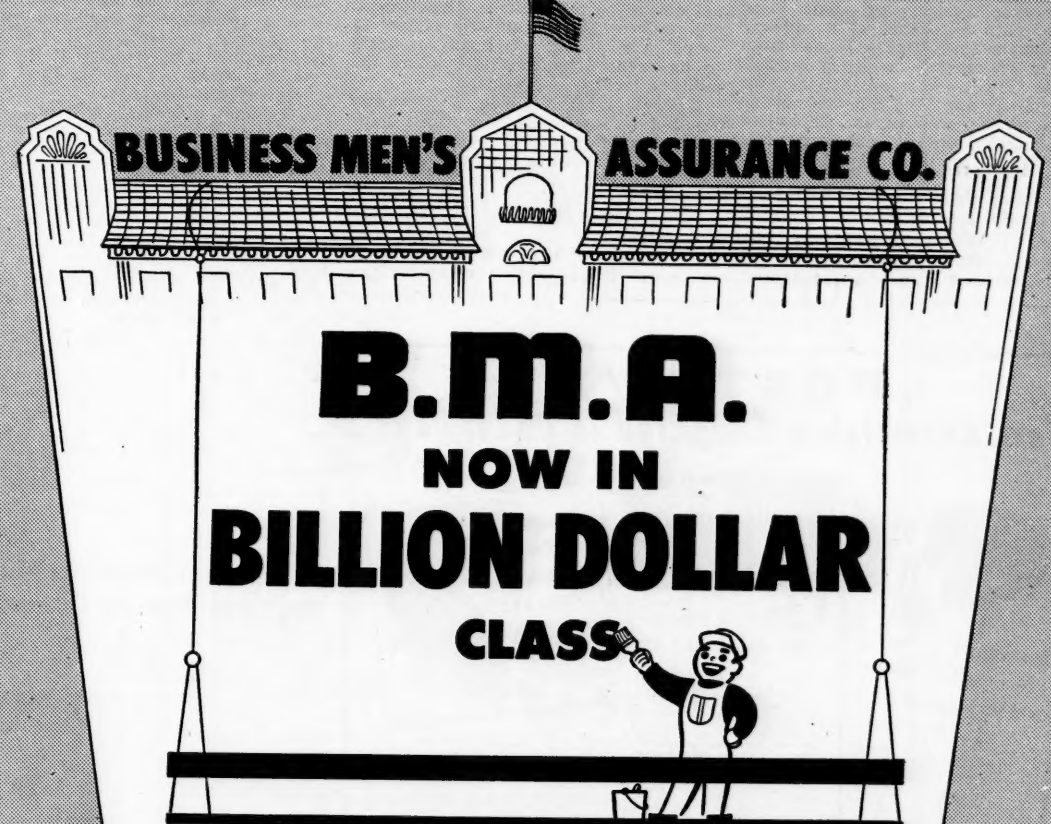
In 1932 the farmer with his equity investments (160 acres and the \$1.47 dollars) in most cases couldn't even pay his taxes, but as the purchasing price of the dollar decreased, income from the farm went up until now with a 37c dollar in 1951, his income was \$7,200.

However, if our farmer reinvests his yearly surplus in equity investments and his account is 80, 90 or 100% equity investments, when the deflationary period sets in he will face the same old problem, but if he is given the facts he, too, will want a balanced family capital account, and his future investment formula will, no doubt, point to investment through legal reserve insurance

contracts with protection.


Recently it was my pleasure to visit with a man who is an authority in the life insurance investment field and is thoroughly acquainted with taxes. He is of the opinion that in too many estate analysis cases the emphasis is on taxes and the estate is arranged so that any serious losses would upset the whole plan.

A balanced family capital account is necessary whether assets are \$10,000 or \$10 million. The effect of your work will be evidenced to the man living—it is not predicated upon his death. If his time is cut short his family will have the same protection.



B.M.A.

NOW IN BILLION DOLLAR CLASS




A Story of Progress

★ Organized as Accident Company June, 1909	
★ Premium Income 1909.....	\$ 9,197.70
★ Health Insurance added 1911	
★ Premium income 1911.....	129,979.54
★ Accident and Health premium income 1920 ...	1,786,860.87
★ Accident and Health premium income 1950	12,453,427.71
★ Life Insurance added 1920	
★ Life Insurance in force end of 1920	2,007,500.00
★ Life Insurance premium income 1950	12,192,479.78
★ Total Premium income 1950	24,645,907.49
★ Life Insurance in force end of 1950 ...	471,443,758.00
★ Life Insurance in force June, 1951 ...	500,000,000.00

Now with premium income in all lines more than double that of Life Insurance alone, B.M.A. has stepped into the Billion Dollar Class in terms of Life Insurance.

Throughout 34 states, the District of Columbia and Hawaii, B.M.A. provides personal income protection through Life, Accident, Health, Hospitalization, Surgical and Medical Care, Annuities and Reinsurance for more than 600,000 policyowners and beneficiaries.



BUSINESS MEN'S ASSURANCE COMPANY OF AMERICA

HOME OFFICE KANSAS CITY, MISSOURI • BRANCH AND DISTRICT OFFICES IN MORE THAN 60 PRINCIPAL CITIES

Policy on Insurance Sales to GI's Confused

By HENRY HALLAM

WASHINGTON — Differences have developed among insurance and personnel officers of the armed services with respect to a regulation or policy dealing with the sale of insurance at military installations or to military personnel. Service officers and department officials having insurance background or experience hold there should be uniformity in the service in requiring that an insurance company or agent doing business with personnel at a military establishment shall have a license from the state where such facility is located. However, it is understood that the proposed policy approved by responsible officials of the services and submitted to those higher up for final recommendation to the top does not go as far as that.

The policy that is said to be recommended calls for no discrimination by military authorities against any company, no matter how small or possibly unsound, whether licensed or unlicensed.

The proposed policy would continue to give a large amount of discretion to the commandant of a military installation. Although, it is said, he could not limit entire to a particular company or companies, he could limit the number of agents a particular company could have in his camp or air field, for example.

Schneider's Views

J. Thomas Schneider, a high personnel official of the Defense Department, reportedly opposes a uniform regulation or policy requiring a company or agent to be licensed by the state where the military facility is located.

Under present policy, a company licensed by one state can solicit business of military personnel at a facility over which the U. S. exercises exclusive jurisdiction in any state.

Insurance officials in the department want a "tighter" policy, because they get complaints from servicemen and their parents of the sale of policies by more or less unreliable companies or

agents or at excessive rates. However, insurance observers believe solution of this problem must await the indefinite future.

One complication of the problem is represented by local or state political considerations or congressional complaint and influence.

Insurance sections or divisions of the armed forces receive many complaints and charges concerning insurance matters. They come from insurance commissioners, companies, agents, salesmen and others. Probably 90% of these complaints are said to relate to life insurance.

An interesting case recently receiving departmental attention was that of local commandant requiring military personnel under him to have auto insurance on cars they maintain outside the military reservation. It was held, upon complaint received, that the commandant could not impose such a requirement off the base.

Complete and final solution on an ideal basis of insurance problems confronting armed services and defense department higher-ups, one service insurance officer said, would involve establishment of an insurance department or "commissioner" within the department or service empowered to investigate companies and agents, rate them, and authorize them to do business on military reservations with service personnel, or reject them.

Realizing such a setup is not practicable, even if legal, the next best thing would be for the services to rely upon the state commissioners and adopt the policy of permitting insurance companies or agents to do business on a reservation only if they are licensed by the state in which the reservation is located. This is the opinion of department and service insurance officers.

C. K. Dean Columbus Mutual Regional Agency Director

Columbus Mutual Life has appointed C. K. Dean as regional agency director and special home office representative for southern California with headquarters in Los Angeles.

Mr. Dean recently resigned as vice-president and director of agencies of Great Northwest Life of Spokane. Before that he was regional director of agencies for Franklin Life at Dallas. He was at one time executive vice-president of Rushmore Mutual Life of South Dakota. He was for 10 years general agent for Bankers Life of Nebraska at Michita. He is a C.L.U.



C. K. Dean

James E. Dunne Indicted at Atlanta for Criminal Libel

ATLANTA — The Fulton county grand jury here has indicted James E. Dunne of Louisville, president and publisher of "Insurance Index," on a criminal libel charge.

The indictment returned Tuesday was based on an article published in the Index which attacked Georgia Insurance Commissioner Zack Cravey's administration of state insurance laws.

"Appropriate action" will be taken to bring Dunne to trial, the Fulton county solicitor's office said.

Practicing Law Institute, 57 William street, New York 5, is selling for \$2 each the following tax monographs: "Excess Profits Tax," by Alger B. Chapman and Brady O. Bryson; "Tax Aspects of Executives' Compensation," by Mr. Bryson; "Estate Planning," (1951 edition) by Joseph Trachtman, and "Federal Estate Tax," by Adrian W. DeWind and H. K. Lidstone.

Mutual Trust Fieldmen are enthusiastic over their NEW DIRECT MAIL KIT

Packed with new ideas that get results, the new Mutual Trust Direct Mail Kit enables producers to coordinate their personal sales efforts effectively.

MUTUAL TRUST
LIFE INSURANCE CO.
HOME OFFICE - CHICAGO
Nothing Better in Life Insurance

Agency inquiries should be addressed to the agency secretary

POSTAL LIFE
New Advertising Campaign is Underway!

"Sometimes a nosey neighbor can really start you thinking."

"Thank Heaven, Dad could take it!"

"A man can dream, can't he?"

Postal Life's 46 years of life insurance advertising experience are behind these ads. Notice how they help our fieldmen—

- Personalized: the reader is personally interested... recognizes his own need... feels the ad was meant for him.
- Coupon: reader knows he can get individualized service—in his own community. He can act on his impulse to solve his needs.
- Self-referred leads: General Agent's name and address is on each coupon.

Leads go directly to him. People see and admire his ad.

- Popular appeals: retirement, mortgage, and juvenile—needs which Postal Life's policies are especially well-suited to fill.
- Circulation: placed where ads are most carefully read, in community papers where our General Agents operate.

With this kind of Home Office cooperation, aggressive producers naturally think of Postal Life when they want to establish their own General Agencies in New York or Connecticut.

For details, write
Roy A. Foan
Vice President and Director of Agencies.

POSTAL LIFE
INSURANCE COMPANY
511 FIFTH AVENUE, NEW YORK 17, NEW YORK

POSTAL QUALIFIERS
SAIL FOR BERMUDA
NEXT MARCH!

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ALC FINANCIAL SECTION

Business Leaders Only Anti-Inflation Hope, Says Shanks

If anything concrete is going to be done to save business institutions, to relieve the plight of fixed income families and to preserve the typical American family as good citizens in the face of inflationary tendencies, the business leader is going to have to start it, President Carrol M. Shanks of Prudential declared at the annual meeting of the Financial Section of the American Life Convention at Toronto.

Saying that the people of the United States and Canada have been losing ground in the battle against inflation, Mr. Shanks urged business to move quickly into the picture to stem the growing and alarming trend toward damaging inflation.

No Federal Help Seen

"It is most unlikely that government will bestir itself to do what it can to stop inflation," he said. "Labor is not going to take the initiative in stopping the ravages of inflation nor even in doing what it can to slow down its pace. It is unlikely that the farmer will come forward with concrete action. The great mass of people can't do much about the situation."

"Therefore it is up to the leaders of American business, the chief supporting force of our economy, to look upon the inflation problem unselfishly and do what is necessary. Whether or not business remains free may depend upon what business does about this problem."

After summarizing the numerous accomplishments to date on the anti-inflationary front, such as voluntary credit restraint and education of the public on inflation fundamentals, Mr. Shanks concluded: "Instead of piecemeal attack upon the problem, we should regard inflation as a problem in leadership as well as economics — and business leaders should accept such leadership." He urged all segments of the economy, including business, to give up practices that aid and abet the march of inflation.

Need More Group Sessions

WASHINGTON — The Defense Department insurance advisory board held a one-day meeting with Director Thomas Kane, when all pending matters were reported cleaned up.

The board's next scheduled meeting is Nov. 9. Mr. Kane said a program has been adopted of having one-day meetings of the board monthly, instead of two-day meetings at longer intervals.

Mr. Kane also said that his recent meeting with the group committee on the subject of a group plan for accomplishment with the defense projects rating plan was exploratory, with everybody throwing ideas out for discussion. No plan was submitted, he said.

It is hoped there may be another conference between him and the group committee some time late this month, depending upon when the larger group conference committee, composed of life and casualty representatives, meets.

To Extend OASI Benefits

WASHINGTON—Senator Kefauver, Tennessee, has introduced a bill to amend the OASI system to provide for payment of children's insurance benefits to children of 18 who are incapable of self-support because of physical or mental disability.

Another social security amendment, proposed by Rep. Rogers, Colorado, would authorize OASI extension to employees of institutions of higher education who are covered by state or local government retirement systems.

"Counsellor" Asks for Jury Trial

"Insurance counsellor" Walter J. Rogalla of Chicago lately with Reliance Life & Casualty of Phoenix, Ariz., is still being investigated by the Illinois department. When his case came up this week in Racine avenue police court, Chicago, Mr. Rogalla requested a jury trial. The case has been continued until Oct. 31.

As originally reported in the Sept. 21 issue of THE NATIONAL UNDERWRITER,

Mr. Rogalla was charged with soliciting insurance without a license, with representing an unauthorized company and with operating a confidence game. It appears that he developed a clientele among relief clients and timed his collection visits to coincide with the arrival of relief checks.

According to the Arizona department, Reliance L. & C. has a clean bill of health as far as that state is concerned, although the department is aware that the company does business in states where it is not admitted. The department states that the company is a benefit insurance corporation and not a \$25,000 limited stock company.

Mueller Chief Assistant in California Department

Commissioner Maloney of California has appointed C. Albert Mueller, of San Francisco chief assistant commissioner.

Mr. Mueller is a native of San Francisco and has been in insurance more than 25 years. He was with Fireman's Fund 20 years, then with Finn-Smith & Medcraft. Later he was general manager of Sequoia Ins. Co., resigning about a year ago to enter the agency business for himself.

He served in the army in the last war.



Confident?

Sure! He knows he has his Home Office right with him on every call. Also, participating Life policies which can be "tailored" to fit almost any prospect — standard or sub-standard — liberal commissions — worthwhile bonuses for production and persistency—personal sales help.

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EDITORIAL COMMENT

New Statement Blanks Harvest of Labor

This year the more than 600 life insurance companies in the country are harvesting the fruit of many years of study as they fill out the new reporting blanks for their annual statements. These new forms, incorporating the most important changes in the reporting system in 75 years, are the result of 10 years of patient labor by special committees of National Assn. of Insurance Commissioners, Life Insurance Assn. and American Life Convention.

As a result of the painstaking work by members of these organizations, the life company annual reports from now on will be more intelligible to those both inside and outside the business. The reports will be brought into line with general practices in the reporting of business and industrial concerns.

For the first time, the layman can

pick up one of the books or extracts from it and, if he is acquainted with the general principles of accounting, can glean from the first three pages a good picture of the company in question. No longer must he puzzle over the differences between ledger assets, non-admitted assets and admitted assets. He can go to the summary of operations, which is on an accrual basis for the first time, and determine what the income sources and disbursements in general classifications have been for the year the report covers.

The life insurance companies have been making one of the most comprehensive annual reports filed with public authorities by any business in the country and it is certainly essential that this information be in a form which the public can understand.

"Go A. & H., Young Man"

One hundred years ago the suggestion for success that later became so famous was "Go West, Young Man!" Today an insurance editor can justly counsel a young man coming into insurance to "Go A. & H."

The parade of big life companies into A. & H. hasn't been without an accompanying need for good men to staff the departments that will help sell it, underwrite it, and administer it. There just are not enough good A. & H. men to go around. That companies have announced their intention to market A. & H. without saying who will run their A. & H. departments usually illustrates that they haven't yet found the personnel they want. To the observing, these announcements are help wanted ads that should alert those who are interested.

For a life company to start writing

A. & H. isn't nearly as expensive nor does it take the manpower that opening a group department does. There is no comparably large personnel expansion. But there are many good jobs to be had.

There is room at the top, the bottom, and in the middle. The field is already too tight for manpower for a company to get all the men it needs from outside. Companies must train and build their own organizations to handle these new lines.

By getting into A. & H. these days, a young man immediately exposes himself to opportunity. He may be better off than in other departments of a company where there are many more experienced heads and hands than his to be called upon before he gets his chance.

Life Insurance Bolsters Defense

Life insurance people are apt to become hardened to the significance of billions, but there is one set of figures recently produced by Institute of Life Insurance which should be noted by all who sell and service life insurance. The Institute estimates that the loans made by the life insurance companies in support of the defense program may reach \$3,500,000,000 for 1951. There has been more than \$1 billion loaned by the companies so far this year to defense plants and indications are that a similar amount may be loaned in the remaining months of the year. In addition to this, some

\$800 million has this year been invested in loans to utility companies and railroads, which are basically involved in all defense activities. This amount may also be nearly doubled by the end of the year.

In line with the voluntary credit restraint program under which defense needs have precedence over every other element in the economy, defense financing now accounts for the greater part of the life company placements of policyholder money. The loans for defense or defense-supporting purposes represent two-thirds of all loans made in the first

six months of the year by the life companies to business and industry. The ratio has been steadily increasing since mid-year.

The largest part of the defense loans has gone for plans and equipment. The non-defense loans made to business by the life companies have been chiefly for plants and equipment and have been aids to greater national productivity.

In other words, life insurance plays a prominent part in national defense. A

person investing in life insurance is just as surely strengthening his country as if he invested his money in any other place. This is a valuable concept for the life insurance salesman to carry with him. It also helps to orient him to his important place in the national scheme. Sometimes people in the life insurance business get to feeling themselves on the sidelines as the nation girds for defense but this obviously is an unrealistic attitude.

PERSONALS

Julian S. Myrick, chairman American College, will deliver the dedicatory address at the opening of the sports bay in the New York Cathedral of St. John the Divine. Mr. Myrick is the chairman of the sports and games committee for the cathedral.

M. Helen Hankins, agent in the Northrop agency of Penn Mutual at Denver, has been named "woman of the year" by the Denver chapter of Business & Professional Women's Clubs. She was the first woman president of both Denver Assn. of Life Underwriters and the Colorado association.

O. Sam Cummings, manager for Kansas City Life at Dallas, addressed the South Central Business Assn. at Kansas City.

OBSERVATIONS

California's Cheery Offices

Many of those from more easterly states attending the annual meeting of National Assn. of Life Underwriters were impressed with the promotion-mindedness of insurance offices in the Los Angeles area. Of course this forwardness is typical of enterprises there, but generally the life companies and agencies in southern California have not gone overboard in the matter of horn-tooting. What particularly impressed the easterners was the very nice individual buildings in which many insurance agencies are housed. These are usually modern in style and suburban in location, providing plenty of parking space. The insurance agents do not hesitate to advertise their purpose at these offices—with large neon signs and in general show more awareness of the value of advertising, through newspapers, signs and billboards than you find in other sections of the country.

Many of the Angelenos feel that while their standards should be professional, insurance still remains a business and has the advantage of being able to escape the quiet somberness of the average professional office. They believe it is of tremendous advantage for the insurance office to be able to advertise when and where it chooses. Of course they recognize rental, geographic and building differences, but it is their impression that too many of the insurance offices in the east are too dark, too dingy and too inaccessible for customers and brokers. They feel that through spending some money on physical plants and through investing in

advertising and visual promotion they have made themselves more attractive to the insuring public.

Change Minds on Recruiting

Although no two general agents seem to have the same recruiting ideas or methods there is less opposition than formerly to putting on a new agent whose wife is employed. This assumes that the man has the basic incentive and drive to put sufficient effort into making a success of himself as a life insurance salesman.

Many white collar men have been hit hard by inflation. One of the solutions in their families has been for the wife to continue in employment, or to return to the secretarial type job she had before they married. These wives give evidence of a cooperative spirit to help the family unit financially, where possible, rather than to do without certain luxuries, or even necessities, which some families have had to forego, because the husband has found himself in a dead-end white collar job. It is this frustrated type man who often finds the way to success through selling life insurance.

Impressing New Agent

Overheard in a coffee shop: "Who are you with now, Bob?" "Ajax Life, a wonderful company, really human. Three days after I joined, I received a personal letter from the president welcoming me into the ranks. They treat you like one of the family."

NSLI Never Fully Incontestable

Something not generally known about National Service life insurance is that there is no time limit on its incontestability clause. State laws requiring a one or two year limit on contestability are not binding on the federally issued servicemen's policy.

The incontestable clause in the average commercial policy takes effect after one or two years, the latter period usually prevailing if the insured is still alive. State laws usually control the length of the period.

NSLI is incontestable from the date of issuance, reinstatement or conversion, except for fraud, nonpayment of premiums or if the applicant was not a member of the armed services. This is more liberal, for instance, in suicide cases, than the commercial policy. But in cases of fraud there is no time limit fixed on government's resistance of a claim.

The point for the agent to remember is to advise the insured to be certain to

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insurance is included on his application for NSLI reinstatement or conversion complete answers to all inquiries. This will avoid possible trouble years later when the policy becomes a claim. Since NSLI seems to be more subject to lapse the problem may come up more often.

High Clerical Turnover

Turnover figures on agents aren't the only ones that run into fairly high percentages inside the insurance business. A brief survey conducted by the American Management Assn. recently indicated that turn-over among female clerical employees in large insurance offices is running around 20% or more a year. In some cases it goes as high as 30%. The turnover rate for male personnel is usually much lower than that for young female clerks. One company with an average labor force of about 1,100 females in the home office, during the year 1950, had 328 female terminations. It hired 306 new female employees. There was no improvement in companies employing larger numbers. One company with 3,923 females employed found that 793 terminated during 1950, or 20.2%, and another with 5,638 employees had 1,122 terminate during the year. The situation isn't new but it still presents a difficult problem for personnel officers.

Underhanded Sales Tactic

Group men in some sections of the country are very annoyed at what they regard as unfair competitive tactics of some of their Blue Cross competitors. Often it happens that an agent in his former job had Blue Cross coverage. He retains it when he joins an insurance company. Some local Blue Cross men, however, include in a sales folder the name of the group company by which the agent is licensed as an employer client of theirs. This insinuates that the agent employee of the group company prefers Blue Cross. So why shouldn't the employer? This suggests to the competing group company don't think enough of their own company's plan to carry their hospitalization coverage in it. They don't explain that there may be unusual reasons or circumstances behind someone's continuing Blue Cross or that some individuals just prefer it while others do not. It tends to make an individual's choice an indication of wide spread employee dissatisfaction with a group company plan.

Life managers of Seattle heard Gilbert L. Schultz of Standard Life speak on "More on the First Two Weeks of New Agent's Training" at a luncheon meeting.

DEATHS

W. KEITH KROPP, vice-president of the Provident Life & Accident, died of a heart attack while participating in a company golf tournament. He joined Provident in 1920 and had a major share in the organization and development of its claim operations in the United States and Canada. He was active in International Claim Assn. and served on its executive committee in 1949.

LLOYD C. HOOD, 52, of the Kaufman agency of Northwestern Mutual at Chicago and a member of the Million Dollar Round Table, died suddenly while playing golf at the Park Ridge Golf Club. Mr. Hood entered the business at Chicago in 1935 with the Hobart & Oates agency, and since 1948 has been with the Kaufman agency.

CHARLES F. COPELAND, 89, district manager at Indianapolis of National Life of Des Moines until he retired six years ago, died there.

OSWIN A. REEVES, former general agent at St. Paul for New England Mutual, died at St. Louis Park, Minn.

HAROLD F. DIEFENBACH, 53, California state manager for Lutheran Mutual Life, died at his home at South Gate, Cal.

CHARLES B. BISHOP, 70, retired York, Pa., manager of Prudential, died at his home there. Mr. Bishop was one of the organizers of the York Life Underwriters Assn. and was an honorary member at his death.

CHARLES T. MORGAN, 56, senior member of Charles T. Morgan & Son of Boston, died at his home in Wayland, Mass. Twenty-five years ago he organized the "Morgan plan" for financing loans to college students whereby the student guaranteed repayment by taking out a life policy. The plan is still used at Boston University. He had been in the insurance business for 30 years and was a member of the Leaders Club of Massachusetts Mutual.

MRS. MARY R. GERMELMAN, wife of William C. Germelman, vice-president of Home Beneficial Life, died at Richmond, Va.

Zalinski at Lexington, Ky.

E. L. G. Zalinski, assistant vice-president of New York Life, spoke to the women's forum of Citizens Bank & Trust Co., at Lexington, Ky., advising the 200 women present to review life insurance policies every year to see if they still fit their particular needs. He also discussed how social security payments fit into the life insurance plan.

Honor Rhodebeck's Double Anniversary in 7-Week Drive

General agents of United States Life have begun a seven-week production effort to honor President Richard Rhodebeck's fourth anniversary as president and his birthday Nov. 19.

Emphasis will be placed on writing as many lives as possible and all applications sent in from the field will go directly to Mr. Rhodebeck's desk. The campaign was organized by a committee headed by James F. McGrath, Jr., New York City; Scott Brainard of the Brainard & Black agency, Honolulu; Emanuel Dash of Dascit Underwriter, and Robert J. Keane of Keane & Warner, both of New York.

May Ask Pa. Life Companies to Conduct Tax Study

HARRISBURG, PA.—A proposal that the management of Pennsylvania life companies be asked by Gov. Fine to form a special state tax study committee along with Pennsylvania Bankers Assn. and Master Farmers for a "joint study of the revenue and tax problem of the commonwealth" has been submitted to the governor.

Sen. George N. Wade, who suggested that the business and agricultural interests be consulted, is general agent at Harrisburg for Ohio National Life. He made the suggestion after the governor called on the four major universities of the state to form a special joint committee for a similar study. The universities, however, have \$31 million at stake in state subsidies which have not been paid since June 1, 1951, because the legislature could not agree on a method of raising the funds.

The governor has been insisting on a ½% state income tax, but the majority of the senate refuses to agree to this type of levy. After standing against the

income tax for five months Mr. Wade recently changed his position in favor of the levy, but he was the only senator to shift.

Accepts Senate Changes

WASHINGTON—The conference report on provisions of the new revenue bill includes provisions for House agreement to Senate amendments—providing for tax treatment of life insurance departments of mutual savings banks in much the same manner as tax treatment of life insurance companies, and providing for deduction of medical expense, not limited to the excess over 5% of adjusted gross income, for persons aged 65 and over.

Five Speakers at Lincoln

Five leaders of the International association spoke at the October meeting of Lincoln, Neb., Assn. of A. & H. Underwriters. Carl A. Ernst, North American Life & Casualty, St. Paul, president; T. J. Costigan, Business Men's Assurance, Kansas City; M. C. Laughman, North American L. & C., Minneapolis; W. E. Reinsh, Massachusetts Bonding, Omaha, and O. K. Johnson, B. M. A., Omaha president, outlined benefits of association membership, and gave a number of sales pointers.

Joy Writes Million

Since his appointment as St. Paul general agent for Reserve Life of Dallas a little less than a year ago, Thomas J. Joy has written more than \$1 million of life insurance business.

Mr. Joy started in the life insurance business six years ago. He is active in the St. Paul Life Underwriters Assn. Associated with him in his general agency is William A. Atherton of Minneapolis.

Little Known Facts about Insurance Men*

What they mean
to the
DRY CLEANING
INDUSTRY



● It is estimated that the families of life insurance agents in the United States spend more than \$8,000,000.00 each year with their dry cleaners.

This is but one of the many ways in which the life insurance agent and his family help to play their part in the vast network of the nation's economic structure.

Yes, anyway you look at it, the life insurance agent is a mighty important man in every American community.

*SOURCES: U. S. Bureau of the Census and U. S. Department of Commerce.

Central Standard

LIFE INSURANCE COMPANY

211 W. Wacker Drive

CHICAGO

All forms of
LIFE—INCLUDING GROUP—A & H
Expanding . . . Agency Opportunities

ALFRED MACARTHUR
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Life and Casualty
Insurance Company of Tennessee
HOME OFFICE: NASHVILLE

NEWS OF LIFE COMPANIES

Merger of National Reserve, Policyholder's Natl. Effected

Consolidation of National Reserve Life of Topeka and Policyholder's National Life of Sioux Falls has been completed, creating a company with insurance in force in excess of \$125 million, assets in excess of \$25 million and capital and surplus of nearly \$2 million. Annual premium income will be in excess of \$4½ million, and total income about \$6 million.

The merged company retains National Reserve's name, and regional home offices will be maintained in both Topeka and Sioux Falls. H. O. Chapman of Topeka is president. All home office personnel and field men of both companies continue with the merged company. The merger has been approved by stockholders of both companies and the insurance departments of all states in which either company has been doing business.

Officers of the enlarged company are: G. J. Danforth, chairman emeritus; S. H. Witmer, chairman and treasurer; H. O. Chapman, president; W. J. Harris, vice-president and secretary; Harry Lee, vice-president and actuary; Marvin Christen-

son, assistant actuary; Holton Davenport, vice-president; R. Reagan, chief medical director; Dwight Lawson, associate medical director; H. A. Erlandson, underwriting vice-president; W. E. Moore, agency vice-president; J. M. Barkes, vice-president and personnel director; C. E. Kline, counsel; H. O. Chapman, Jr., assistant secretary and assistant treasurer; M. B. McCaig, assistant secretary; P. K. Dunn, assistant treasurer; A. M. Riemann, assistant secretary and auditor, and R. H. Shiner, agency secretary.

National Reserve and Policyholder's National have been under similar ownership since 1942, when control of National Reserve was purchased by Mr. Witmer, Mr. Chapman and associates, and Mr. Chapman moved to Topeka as president. The Topeka home office will serve Missouri and Kansas and other states to the south and west, while the Sioux Falls office will service business in the northwestern area.

On "Receipt on Request" Basis

Effective Nov. 1, Jefferson Standard will no longer issue premium receipts except for cash payments or upon specific request of the policyholder.

International Fidelity Takes Over City National Life

International Fidelity Life of Dallas has purchased all the assets and reinsured all of the business of City National Life of Houston. The transaction includes the taking over by International Fidelity of more than \$6 million of insurance in force in the City National, about \$800,000 of liquid assets and the home office building of City National at Houston.

With this addition to its business International Fidelity Life's insurance in force now exceeds \$40 million, although the company is only in its fourth year, and by the end of this year it will be well in excess of \$50 million, President Joe E. Russell said.

Adj. Gen. K. L. Berry of Texas and Earl White of Wichita Falls, head of White's Auto Stores now operating in more than 80 Texas cities and towns, have been elected directors of International Fidelity.

Home Life Employees Get Catastrophic Coverage Plan

A new, more liberal program of hospital-surgical-medical benefits for employees has been inaugurated by Home Life of New York. The program includes "catastrophic" coverage which provides protection in case extraordinary nursing or medical care is required.

Underwritten by the company's own group department, the program pays full expenses of semi-private hospital care for 31 days and 80% of such expenses for the next 700 days. A schedule of operations specifies surgery entirely covered by the plan and allows 80% catastrophic benefit to a maximum of \$2,000 for expenses which exceed the schedule.

In-hospital physicians fees are paid up to \$280 with similar catastrophic coverage up to \$2,000. Additional catastrophic medical benefits up to \$5,000 cover 80% of the expenses not otherwise insured which exceed a deductible amount of \$100 to \$300, depending on the employee's salary.

Prudential Marks 76 Years At Luncheon at Home Office

Prudential's 76th anniversary was observed at a home office luncheon attended by more than 600 guests, including business executives, state and city officials, and civic leaders.

President Carrol M. Shanks, and Col. Franklin D'Olier, former president and current board member, assisted by Valentine Howell and Harold M. Stewart, executive vice-presidents, greeted the guests.

In an anniversary message delivered on the company's regular radio program, Mr. Shanks told company policyholders that "the important thing about life insurance is that it provides a way for every family to strengthen itself so that it will not fall apart in time of misfortune or disaster to the family provider."

Pacific Mutual News Wins

Home Office News, employee publication of Pacific Mutual Life, has won the top award for all-round excellence in a contest conducted by Southern California Industrial Editors Assn. In addition, the judges voted the Pacific Mutual periodical five first and six second prizes for achievement on specific points of production, including best story on company operations, best human interest story, best sports or recreation story, best sports photograph and best cartoon. Helen Olson is editor of Home Office News.

North Central in N. D.

North Central Life of St. Paul has extended its operations to include North Dakota. This was made possible by a recent increase in capital from \$117,970 to \$200,549. North Central now has as-

sets of more than \$182 for every \$100 of liabilities.

In entering North Dakota, the company is following its plan of operating in low-mortality states. Formerly, it concentrated in Minnesota, Nebraska and South Dakota.

North Dakota has a life expectancy rating of 65.7 years for males and 69.3 years for females, as compared to a life expectancy average of 62.4 years for males and 67.2 years for females in those states in which North Central does not operate.

Inter-Ocean Has Peak Month

Inter-Ocean of Cincinnati enjoyed the peak production month in its 48-year history in September when agents honored President W. G. Alpaugh's birthday.

President's Month, traditional with Inter-Ocean for many years, featured a "sales sell-ebration" as a campaign theme. Winners in all departments received a free trip to the home office this week.

Premium income in all departments, based on the experience of the first nine months of 1951, will total nearly \$7 million for the year, which will give the company better than a 20% gain over 1950.

Empire Life & Accident expects to move into its new ultramodern office building at Indianapolis soon. The building was started in 1949.

FINE GENERAL AGENCY OPENINGS AVAILABLE

— IN —
DETROIT • LANSING
ELINT • JACKSON
FOR THE AGENCY MINDED
LIFE UNDERWRITER

QUALITY Company

The Highest Rating . . . Mutual
Over Half Century Experience
Over \$320,000,000 Insurance
Over \$110,000,000 Assets
Over \$ 9,000,000 Surplus
Full Level Premium Basis
Sub Standard Underwriting
Direct H. O. Prem. Collection
Very Low Net Cost

QUALITY Compensation

Highest for Life Underwriters
Outstanding for General Agents
Commissions well vested
Liberal Retirement Pensions

QUALITY Training

Home Office Group Training . . .
For the New Life Underwriter . . .
For the New General Agent . . .
Refreshers for Career Men
Re-Training for General Agents

QUALITY Territory

Very often possible . . .
For the Ambitious Man
Who wants to build
A Quality General Agency
With very few quality men
Right in his own Territory

CENTRAL LIFE
ASSURANCE COMPANY
DES MOINES, IOWA

1896 1951
A MUTUAL COMPANY
From Every Angle - One of the Best



"I had my sales talk recorded and by the time I had the proprietor and his partner play it back a couple of times, they were sold on a partnership policy!"

Bankerslifemen Make Organized, Result-Producing Presentations

Organized sales presentations used by Bankerslifemen are so powerful that they might even make sales when played from records.

Of course, Bankerslifemen are trained so that they know not only *what* to say, but *how* to say it. That is just one part of the thorough training which they receive — beginning their first day in their agency offices and carrying on through a series of Home Office schools.

Because he is well-organized, the typical Bankerslifeman is the kind of life underwriter you like to know as a friend, fellow worker or competitor.

BANKERS Life COMPANY
DES MOINES, IOWA

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Sun Life
Sun Life

Bankers of Iowa Names Graham to New A. & H. Post

Harry L. Graham has been elected secretary of the new A. & H. department of Bankers Life of Iowa.

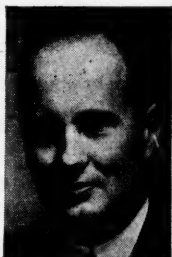


Harry L. Graham

Mr. Graham has been assistant superintendent of the A. & H. department of Indemnity of North America. Five years prior to that he was home office superintendent of A. & H. with Manufacturers Casualty. After graduation from the University of the South at Sewanee, Tenn., he joined Aetna Casualty as an adjuster at Hartford. After eight years, he became a field assistant in New York state for Travelers. He then became manager of A. & H. for Eagle-Royal-Globe at New York City.

John A. Mayer Joins Mellon Bank

John A. Mayer, president of Reliance Life since April, 1949, has been elected vice-president of the Mellon National Bank & Trust Co. of Pittsburgh. Mr. Mayer resigned following the sale of the controlling interest in Reliance to Lincoln National.



John A. Mayer

Before being elected president of Reliance, Mr. Mayer was secretary of Penn Mutual, the company he started with in 1933 following his graduation from the University of Pennsylvania.

He is the chairman of the joint war manpower committee of the American Life Convention and Life Insurance Assn. of America and a director of the Insurance Federation of Pennsylvania. He will continue as a director of Reliance.

Mr. Mayer is a navy veteran and a recipient of the Legion of Merit.

Mutual Names Benton, Moats Training Assistants

O. Embry Moats, assistant manager at Cleveland, and Earl B. Benton, assistant manager at Sheridan, Wyo., have been appointed home office training assistants by Mutual Life.

Mr. Moats joined Mutual in 1948 and became Cleveland assistant manager in 1950. He is a C.L.U. Mr. Benton has been with Mutual since 1946 and became assistant manager in 1941.

General American Names Blocker Personnel Manager

Dr. Clyde W. Blocker has been appointed personnel manager of General American Life, succeeding Elmer A. Uthe, who has been named assistant agency secretary. Dr. Blocker has been dean of men and professor of education at Tulsa University.

He was educated at Indiana University and at Columbia. During the second war he served as a personnel administrator at several army air force bases.

Sun Life Advances Hasley

Sun Life of Canada has appointed

Alex R. Hasley assistant superintendent of agencies, group division. He joined the company in 1924 in the claims department. In 1930 he was appointed chief clerk in the agency organization. Since 1945 he has been group division inspector of agencies.

Provident L. & A. Names Bracewell Claim Manager

J. Robert Bracewell has been appointed claim manager for Provident Life & Accident. He has been with Provident for 25 years and except for

two years in agency department work has spent all of his time in the claim department.

His appointment follows the death of Vice-president Keith Kropp, who had charge of the claim department.

McCrosky to Union Central

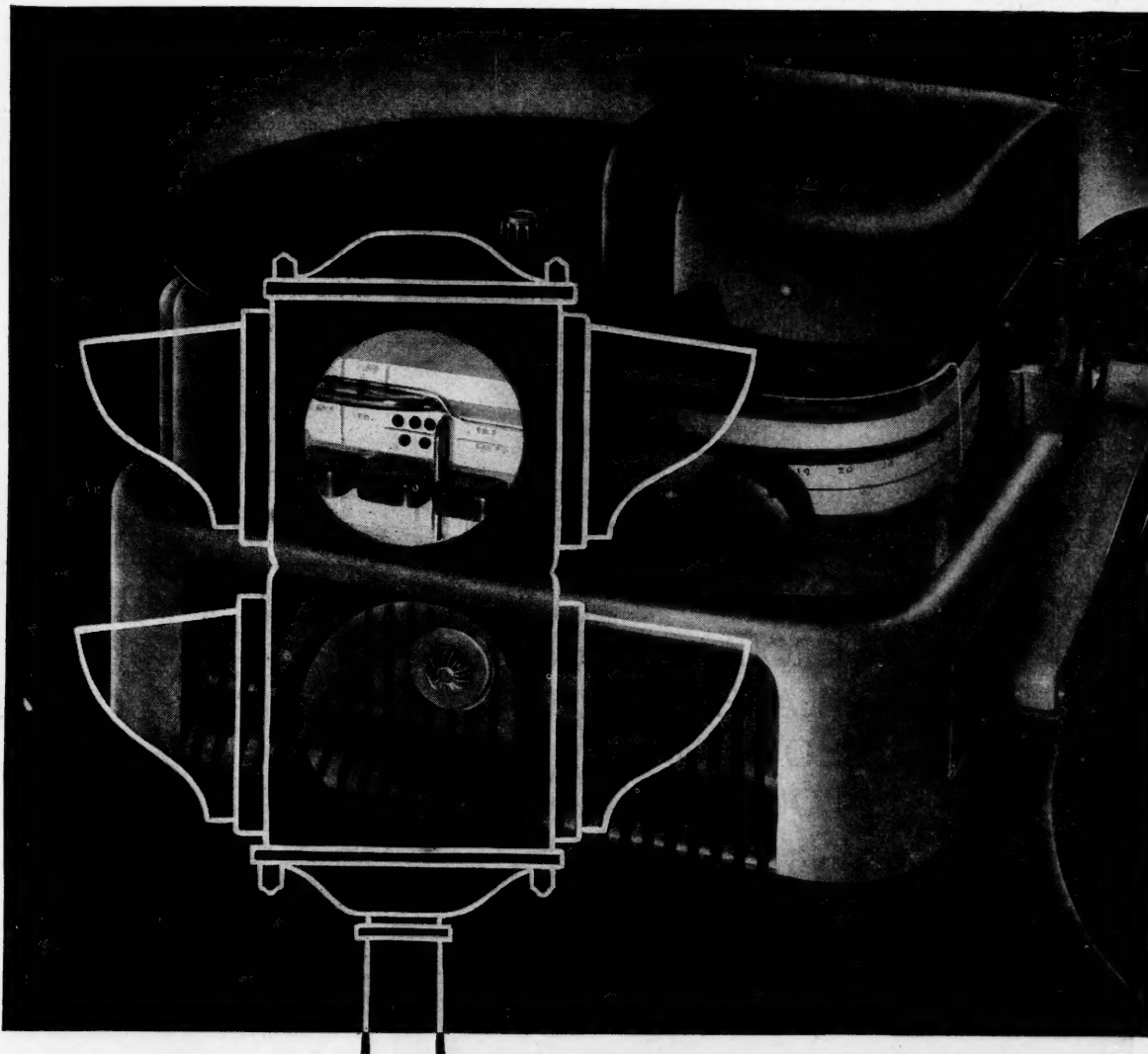
L. S. McCrosky has been appointed group consultant in the agency department of Union Central Life. He has been in life sales work since he joined Mutual Benefit Life at Cincinnati in 1938. Two years later he joined Sun Life of Canada's group department at

Cincinnati, later becoming its district group manager there.

Mr. McCrosky has most recently been with State Mutual Life as regional group manager. He is a graduate of the University of Kentucky and is a navy veteran.

Eugene V. Boisabain, supervisor of salary savings and A. & H. sales for General American Life, has left for duty with the naval reserve.

Sun Life of Baltimore insurance in force has passed the \$300 million mark.



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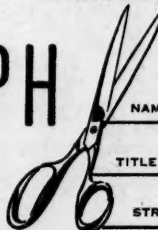
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NAME

TITLE

FIRM

STREET

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LIFE SALES MEETINGS

Conn. Mutual Winds Up Series of Sales Clinics

Connecticut Mutual Life is winding up a series of 24 two-day field sales clinics with a meeting at Denver, Oct. 19-20. All agencies have now been covered by a team of home office agency department men headed by Horace R. Smith, superintendent of agencies. Others taking part include Royden C. Berger, director of advertising; William L. Camp, III, supervisor of publications; Robert B. Proctor, assistant superintendent of agencies; Melvin G. Campbell, Jr., agency assistant; Warren F. Reuber, assistant editor of the com-

pany's field magazine, and James L. Russell, agency assistant.

New market development procedures, sales ideas and methods were introduced with thorough discussion of programming techniques and prospecting.

Integrate Ordinary, Group

Integration of ordinary and group sales forces was the theme of the Massachusetts Mutual group conference at Great Barrington, Mass. Talks were given by President Leland J. Kalmbach, Vice-president Richard C. Guest and Vice-president Charles H. Schaaff. Donald C. Keane of New York City rep-

resented the company's general agents association.

Metropolitan to Hold Meeting for 26 Managers

Metropolitan Life is holding a five-day advisory conference for 26 of its leading managers from the United States and Canada at the home office, Oct. 22-26. The sixth of such conferences, this session brings Metropolitan's top administration together for official consideration of suggestions from all of the company's 12 territories.

This meeting is intended to supplement other conferences with members of the field force and with agency managers.

Shenandoah Sales Course

Shenandoah Life held a three-day sales training course at the home office on "Training Men in Modern Techniques of Life Underwriting."

The school was conducted by Brice F. McEuen, senior consultant of L.I.A.M.A.; Charles C. Camp, agency secretary; Floyd N. Bailey, chief underwriter; G. Frank Clement, manager of the home office agency, and E. Norred Trinkle, assistant manager.

A dinner meeting was held for the group and a luncheon at the home office cafeteria.

'52 Manhattan Dates

The 1952 agency conference of Manhattan Life will be held at Edgewater Beach hotel, Chicago, Sept. 22-26.

POLICIES

New Family Income Plan

Life of Georgia has introduced two family income riders in a new family income protection plan.

One rider provides \$10 monthly income for each \$1,000 of insurance written; the other \$20 for each \$1,000. The riders are reducing term insurance, and may be attached to all ordinary plans except term.

A selection of one of four income periods is available. A 20-year period plan is issued at ages 20 through 45, a 15-year plan at ages 25 through 50, a 10-year plan at ages 30 through 55, a plan to age 65 is issued for ages 20 through 55.

Maximum monthly income for which a rider will be issued is \$200. Waiver of premium for disability is available. The riders will be issued substandard for ratings no higher than table C. They will not be issued on female lives, except when the insured is employed full time and is the sole support of at least one dependent.

Home Protector Provision

Phoenix Mutual has introduced a home protector provision in the form of a rider furnishing term insurance which decreases in amount at the end of each policy year.

The provision is available to both men and women on the basis of either a 15 or 20-year term period and in either case the first-year amount at risk under the rider may be any amount from \$1,000 up to five times the face amount of the basic policy to which it is added.

Statement on Kilday Bill

WASHINGTON — A joint life insurance committee has filed with the Kilday subcommittee an actuarial analytical statement regarding Kilday's bill for a contributory system of benefits for servicemen's survivors.

In 11 pages of text and several appendices, the committee contends contributions proposed would be insufficient in wartime and maybe in peacetime. Extra costs will be great on account of certain benefits, and contributions are inequitable in relation to benefits.

AGENCY NEWS

Agents Fete Associates to Show Appreciation

Paul Zittel and Robert O. Segal of the Solomon Huber agency of Mutual Benefit Life in New York City, pulled a "man bites dog" stunt on their associates by inviting them all to a luncheon as their guests. The two agents chose the luncheon as a method of expressing their appreciation for the help they've received in reaching high production goals during the brief time they've been with the agency.

Mr. Zittel has been with the agency 13 months and is the company's leading agent in terms of first year earnings. Mr. Segal joined the agency two years ago and has qualified for the Million Dollar Round Table.

The agency operates exclusively on an estate planning basis, avoiding package sales. Six members of the agency are members of the M.D.R.T. With about 20 agents, it generally ranks from third to sixth in company national production standings.

Various members of the agency spoke briefly and informally on the unique philosophy and procedures which have made the agency a success.




Rosan Leads Continental

The Samuel D. Rosan agency of Continental Assurance at New York led the company in September. It qualified 11 members for the company's recent Pyramid Club convention and consistently rates among the company leaders in volume and premium. It has already qualified three men for the President's Club convention next year.

Sun Life Rally at Atlanta

J. E. K. Kennedy, manager of Sun Life of Canada at Atlanta, was host to Georgia and Alabama agents and their

What they SAY Concerning PAY

-  "To the victor belongs the spoils."
—WM. L. MARCY, 1832
-  "The man who pulls the plow Gets the plunder."
—HUEY P. LONG, 1934
-  "To him who sells the Policy Goes ALL the gravy."
—J. DeWITT MILLS, 1950

Good producers in small and medium size cities are making more money than ever before, by receiving a BIGGER SHARE of the premium under our new & unusual

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- COMBINATIONS
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- POLIO

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AGENCY MANAGEMENT

Campus Recruiting Urged at Louisville Meeting

Insurance companies were urged to recruit agents directly from the campus by H. C. Graebner, dean at Butler University, at a meeting of the Louisville managers. Mr. Graebner declared that college graduates are better prepared for interviews, and added that colleges can furnish more personal data concerning the individual applicants.

In emphasizing the advantages of college-recruited agents, he referred to a survey which showed in part that of 45 men and women in one graduating class in property and casualty coverages, all but three have remained in the business.

Hear Rust at Oklahoma City

An address on "Be Articulate" was given by Richard S. Rust, Sr., vice-president in charge of the medical and underwriting departments of Union Central Life, before Oklahoma City General Agents & Managers Club. The club is sponsoring a series of round table discussions to begin Oct. 20, with

J. D. Anderson, agency vice-president of Mid-Continent Life, as moderator. The discussions will be based on Hugh S. Bell's book, "Management Methods."

Smith Speaks at Columbus

Horace R. Smith, superintendent of agencies of Connecticut Mutual Life, addressed Life Managers & General Agents Assn. of Columbus, O., at a breakfast meeting Oct. 18.

Raleigh Managers Elect

W. F. Yates has been elected president of the newly-formed General Agents & Managers Assn. of Raleigh, N. C. Other officers are: Arch Ames and W. C. Gibson, vice-presidents; George Elliott and Frank C. Wilson, secretaries; Emmett Underwood, treasurer.

New Lineup at Nashville

At its first fall meeting Nashville General Agents & Managers Assn. installed Herschell Emery, Mutual Benefit, as president. Starkey Duncan, John

Hancock, has been named chairman of the program committee. H. Martin Nunneley, Massachusetts Mutual, chairman of the education committee, showed an L.U.T.C. film, followed by a discussion of the C.L.U. training course by E. T. Proctor, Northwestern Mutual.

West Charlotte President

E. J. West, Aetna Life, has been elected president of Charlotte (N. C.) Life Managers Assn., replacing Lloyd Crandall, Phoenix Mutual, who has been transferred to Providence, R. I.

Addresses Detroit Cashiers

Stanley C. Newton, assistant superintendent of agencies of Berkshire Life, addressed the Detroit and Windsor Cashiers Assn. at a luncheon meeting.

New officers are Alice Stearns, Berkshire, president; Anne MacKenzie, Confederation Life, vice-president; Edna Hagerman, New England Mutual, secretary, and Henry Lantz, Mutual Life, treasurer.

Toledo cashiers have elected Violet Kragloch, president; Ruby Morris, vice-president, and Jeanne Weckerlin, secretary.

wives. A study was made of recent trends in life insurance and their effects. George W. Wilson, assistant actuary, and W. R. Walters, inspector of agencies, attended from the home office. Morris Feinberg of Montgomery, Ala., was honored for attaining a vice-presidency in the company's Promotion Club.

Mr. Kennedy announced that thus far this year the Atlanta branch is running about 30% ahead of 1950.

Luncheon for New Manager

G. Archie Helland, general agent of Connecticut Mutual at San Antonio, was host at a luncheon honoring C. T. Crosby, San Antonio district manager of American General Life of Houston, who is just opening an agency there. Mr. Crosby has been with the company at Gilmer, Tex. and has made an outstanding record.

Attending the luncheon in addition to San Antonio agency managers were Ford Munnerlyn, vice-president and agency director; Ray Smith, assistant agency director, and Ben P. Atkinson, Austin, manager of American General.

Houston Wins Again

For the third time this year the Houston agency of California-Western States Life won the honor agency designation for the best all-round performance. The agency also won the award in February and July.

U. S. Life Instituting Staff Retirement Plan

United States Life has put into effect a retirement plan for home office personnel. It provides for accrual of a current service benefit which will be built up from the present until each employee's date of retirement by company and employee contributions. In addition, for qualified members of the staff, a past service benefit, paid for entirely by the company, will be payable on retirement at age 65.

The cooperative arrangement will have liberal withdrawal, death, and disability provisions, and contains a number of special privileges. Among them are the privilege of early retirement after age 60, optional forms of retirement benefit, ample protection for accrued benefits in event of change or discontinuance of the plan, and employee participation in a five-member retirement committee which will administer the plan.

New L.I.A.M.A. Basic Manual on Selection of Agents

A basic manual on selection of agents has been added by Life Insurance Agency Management Assn. to its series of management books. The new booklet, "Selecting the Career Man," shows the manager how to do a better selection job with the aid of research tools and techniques which have been field tested. It brings up to date material first published by the association in an earlier booklet, "Is This the Man For Me?" Since this first selection booklet appeared, the process of inducting new career men has improved considerably and knowledge of the selection process has increased materially.

Beginning with a chapter on today's concept of selection, it takes the manager step by step through the whole selection procedure. Managers are reminded that selection tests are not the final steps, but that the inspection report, references, interviews with a prospective agent's wife and finally, the manager's personal judgment must have weight in the decision to contract a man. The manual was compiled by Myron E. Dean, senior consultant.

John J. Magovern, Jr., counsel of Mutual Benefit Life, will speak at the fall meeting of the Charlotte, N. C., Estate Planning Council Oct. 22.

Now in our  50th Year

REFLECTIONS AT 50

These are some of the things we think about as we move toward the end of our 50th year.

What a grand business Life Insurance is because nowadays, more than ever before, it is the *only* means by which the average man may hope to create an estate.

How fortunate we are to have such a fine, loyal, fast-traveling field force which has to its credit so many outstanding progress records.

These two thoughts make the future look good to us.

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NEWS OF LIFE ASSOCIATIONS

Ill. Agents to Have Big Peoria Rally Oct. 26-27

Programs have been completed for the midyear meeting of Illinois Assn. of Life Underwriters, the annual meeting of Illinois Round Table, a General Agents & Managers Conference, and the annual sales congress, to be held at Peoria, Oct. 26-27.

Kenneth L. Keil, Penn Mutual, Springfield, president of the Illinois association, will preside at that group's meeting, starting Friday morning. At noon, the managers will gather, with D. E. Fagle, John Hancock, president of the Peoria managers group, presiding. Speaker will be Horace R. Smith, superintendent of agencies of Connecticut Mutual Life.

The Illinois Round Table will also

convene for luncheon and for its meeting. Richard Frasier, Great-West Life, Chicago, will preside. John A. Churchman, Great-West Life, Chicago, will talk on "Increasing Your Earnings from Mass Coverages."

The fellowship dinner will be held that evening with Charles E. Cleeton, president of the National association, and Edward J. Dirksen, assistant insurance director of Illinois, as speakers. The sales congress is set for Saturday. Louis Varnado, Prudential, Peoria, will be in charge of the morning session, with Robert W. Leu, Massachusetts Mutual, president of the Peoria association, taking over in the afternoon. Speakers are John J. Gill, acting staff supervisor, field training division, Metropolitan Life, on "Ideas that Click"; John O. Todd, Northwestern Mutual, Chicago, on "Some Sales As-

pects in Business Insurance"; Mr. Cleeton, on "N.A.L.U. Today"; Paul Troth, group field assistant, New York Life, on "Life Insurance and Group Coverages Illustrated"; I. M. Karnish, New York Life, Chicago, on "Put Him On The Spot"; and Horace R. Smith, superintendent of agencies, Connecticut Mutual Life, on "These 40 Shining Hours."

Inflation, SS Treated in Chicago Regional Meetings

The influence of inflation and social security upon current insurance sales methods was made evident in talks by Harry Lerner of the Morris agency of Prudential, and Lawrence J. Hateley of the Crowe agency of Metropolitan at the regional meetings of the Chicago Assn. of Life Underwriters.

Mr. Lerner offered a sales approach that would help make inflation work for the agent, while Mr. Hateley developed the transition from a routine service call to explaining how a prospect's insurance program can be complemented by social security benefits to an actual sales interview and successful close.

After outlining the aims of the association, William D. Davidson, president of the association and associate manager of the Woody agency of Equitable Society, advised agents of the advantages of laying out the same pattern of programming for business insurance as for personal insurance.

Charles E. Cleeton, president of the National association and general agent for Occidental of California at Los Angeles, closed the meeting with "The Ten Commandments of Life Insurance."

Minneapolis—Harry K. Wolkoff, Northwestern National, St. Paul, member of the Million Dollar Round Table for eight years, spoke at the Oct. 15 luncheon meeting.

Syracuse—E. M. Johnston, sales consultant, addressed the October luncheon on "How to Make Money with Words."

Pasadena, Cal.—Robert S. Albritton of Provident Mutual Life spoke on "Prospecting and Self Organization" at a luncheon meeting of the Pasadena-San Gabriel Valley association.

Cincinnati—Charles E. Cleeton, president of the National association, will speak Oct. 24.

Louisville—H. C. Graebner, dean at Butler University, spoke on "A Crusade for Competency" in which he declared that agents can achieve a professional standing only by educating themselves thoroughly in their field. Mr. Graebner added that entrance into the field should be restricted by educational prerequisites and examinations.

New Bedford—George N. Humphrey of Penn Mutual Life spoke on "My Best Center of Influence."

St. Louis—A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, N.A.L.U. trustee, spoke on "Write Your Own Ticket" at a luncheon meeting Thursday. C.L.U. and L.U.T.C. recipients were honored.

Miss Mildred Topping has been named executive secretary to succeed Charles R. Frederick, who resigned because of his increased duties for the St. Louis Chamber of Commerce.

Austin, Tex.—Milo C. Morgan, vice-president and director of agencies of Commercial & Industrial Life of Houston, spoke on "Knowledge, Fire and Faith."

He said 80% of the men who enter life insurance are out of the business in three years. "Our problem is survival. We train for production," he commented. He said the new man must be given knowledge which will make for his survival in his new field and gave some suggestions on enabling the man to adjust himself to his surroundings.

L.U.T.C. diplomas were presented to six members.

San Antonio—President W. R. Lyman announced that the membership is now 311 and that it is hoped to pass the all-time high record of 317. He reported on the N.A.L.U. meeting.

Kennedy Dodds, Union Central, presi-

dent of San Antonio C.L.U. chapter, presented diplomas to Chas. W. Davis, Southwestern Life, McAllen; Harvey Fry, Minnesota Mutual, Corpus Christi; Travis, Life of Virginia, San Antonio; and G. Archie Helland, Connecticut Mutual, San Antonio, president of the Texas association.

Homer G. Hewitt, Houston, Texas manager for Northwestern National, the first man in Texas to receive the C.L.U. designation, spoke on "This Could Be the Great Day." He said men must have an objective if they are to achieve great things.

Lansing, Mich.—Commissioner J. A. Navarre of Michigan advised agents to "stay away from the fast buck." He urged them to tailor their insurance sales to actual needs of clients. He said this practice would preserve and protect the integrity of the business and assure the best service to the public. J. Ned McNabney, Lansing, and Norman R. Sleight, St. Johns, were awarded C.L.U. designations.

Allen-Neosho County, Kan.—Herbert E. Walters, Prudential, Chanute, has been elected president; Leslie Norton, Minnesota Mutual, Iola, vice-president; and Phillip Cooper, secretary.

Richmond, Va.—Schedules for L.U.T.C. courses to be conducted in cooperation with the adult division of the Richmond public schools, have been announced by A. L. Neveux, chairman. The basic course will be directed by Bernard Haught, formerly of Purdue and Southern Methodist, and the advanced course by James Hawkins, who has conducted classes in insurance at University of Richmond.

La Crosse, Wis.—A vast uncharted area of prospects is constantly presenting a challenge to life insurance men, L. Larson, Madison, Wis., executive vice-president of National Guardian Life, said in speaking on "The Open Door" at a

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Provides its Underwriters —

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- Full Renewals to the 15th Year
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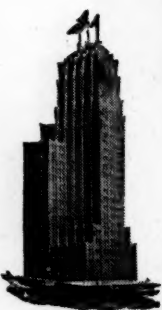
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Estel S. F
and John

chapter, presiding at a luncheon meeting of the Western Wisconsin association.

"Keep your mental door open," Mr. Larson said in cautioning the agents that they cannot close the working day when they leave their office.

Charles W. Tomlinson, Madison, president of the Wisconsin association, was a guest.

CHANGES

Mutual Life Names 3 New Managers

Mutual Life has named John R. Holland, John M. Colter, and John L. Dyer managers at Madison, Wis., Springfield, Ill., and Rochester, N. Y.



John R. Holland

Mr. Holland, who will manage the new agency at Madison, joined the company at Denver in 1945. In 1947, he was appointed assistant manager, and two years later he joined the training staff at the home office. Mr. Colter joined the company at Springfield in 1946, and was named assistant manager in 1948 before coming to the home office as a training assistant in 1950. Mr. Dyer, also a former training assistant, joined the company in 1946 at Albany. Two years later, he was appointed assistant manager there before coming to the home office. At Springfield, Mr. Colter will suc-



John M. Colter



John L. Dyer

ceed John L. Taylor, who will retire. At Rochester, Mr. Dyer will succeed Earl W. Yago, who will enter personal production.

Mass. Mutual Appoints O. F. Johnson at Fargo

Massachusetts Mutual has opened an office at Fargo, N. D., with Olaf F. Johnson as general agent. Mr. Johnson joined the company as an agent at Ada, Minn., in 1945, and for the past four years has been a supervisor at Crookston, Minn. He is a vice-president of the Central Minnesota Assn. of Life Underwriters.

Scott Acting Manager of Penn Mutual at New York

Penn Mutual has appointed John T. Scott acting manager at the 50 Church street agency, New York City, following the resignation of General Agent Osborne Bethea, who has gone with Prudential as manager at New York City. Mr. Scott has been with the agency since entering the business several years ago. He is a graduate of Princeton.

Piedmont Appoints Allen

J. Cleve Allen has been appointed Florida general agent for Piedmont Life of Atlanta. He has been in business in Coral Gables, Fla., and is a navy veteran.

Estel S. Hoskins of Georgetown, Ky., and John W. Stevens of Lexington,

Ky., have formed a partnership in an agency at Lexington to represent Kentucky Home Mutual Life.

Nissen Takes Republic Natl. Chicago Group Spot

Republic National has appointed Eric Nissen regional group manager at Chicago with offices at 120 South LaSalle street.

Mr. Nissen had been regional group manager at Chicago for Northwestern National Life since 1948. Prior to that he was for 15 years district group manager for Connecticut General at Detroit and for nine years was a group representative of Aetna Life. He is a native of Boston and a graduate of Boston University in 1923 with a degree in business administration.



Eric Nissen

W. A. Cahill Opens Agency

William A. Cahill of Jacksonville, Fla. has opened a general agency there rep-

resenting Provident L. & A. He will specialize in life, A. & H., and hospitalization. He has been in the A. & H. field for the past five years.

Linnan to Albany Post

William M. Linnan has been named head of Prudential's Albany district office. He replaces Michael J. Foley, who retired after 30 years of service.

Mr. Linnan joined Prudential as an agent in 1937 at Olean, N. Y., and later took charge of a detached office at Gowanda. He was called to the home office at Newark last year to assist in the company's training program.

Rogers Wis. Group Manager

John F. Rogers has been appointed group service manager in Wisconsin for John Hancock. He succeeds Harold Heimroth, who has been transferred from Milwaukee to Kansas City as manager of the group service office there.

Van Treese Minn. Sales Head

Mutual Service companies, St. Paul, have appointed L. B. Van Treese Minnesota sales manager, with headquarters at St. Paul. He has been in insurance work 20 years, at various times with Prudential, Aetna and Midland National.

Cherry to Am. Reserve

James R. Cherry has been appointed home office agency manager of American Reserve Life, Omaha. He formerly was with Travelers and has 5½ years experience as a life and A. & H. agent at Augusta, Ga.

Munson Regional Manager

Max E. Munson, active in life insurance at Wichita for five years has been named regional manager there of Security Benefit Life of Topeka. He was the first L.U.T.C. chairman at Wichita.

Earl C. Cameron, agency assistant for Lincoln National Life, Springfield, Ill., has been transferred to Champaign, Ill. He remains a part of the same agency, D. C. Fields & Associates.

John Hancock has opened a group A. & H. claims office at Philadelphia. Lawrence E. McLean, formerly claim representative at New York City, will be supervisor.

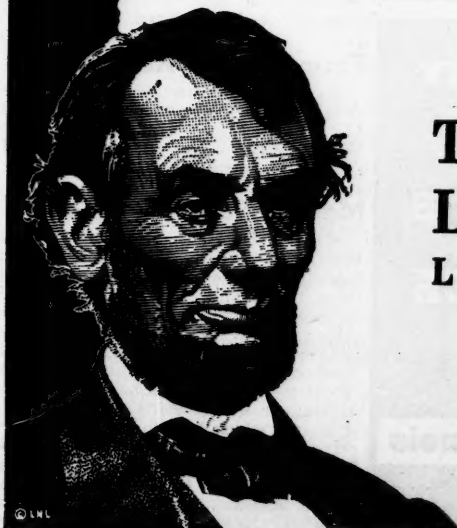
Brant E. Smith has been promoted to assistant manager of the Tucson agency of Prudential. He graduated from University of Arizona and joined Prudential at Tucson in 1949.

A Real Sales-Maker

The LNL representative recognizes his Company's Mortgage Redemption Plan as a valuable sales-maker. He finds that his prospects like this plan because:

1. The amount of insurance decreases as the mortgage reduces.
2. The premium grows smaller each year.
3. Substantial permanent insurance remains after the mortgage is paid.

This well-tailored Mortgage Redemption Plan provides another reason for our proud claim that *LNL is geared to help its field men.*



The
LINCOLN NATIONAL
LIFE INSURANCE COMPANY

Fort Wayne 1, Indiana

Its Name Indicates Its Character

ACCIDENT AND HEALTH

Program for Cal. A. & H. Assn. Nov. 2 Is Announced

LOS ANGELES — Henry Childers, associate counsel of Pacific Mutual Life, will be the featured speaker at a closed session at the annual meeting of the California Assn. of A. & H. Managers Clubs here Nov. 2 on "California Minimum Benefits Standards Accident and Sickness Law." Mr. Childers is a member of the industry committee that has been conferring with the California department on questions raised by that law, with satisfactory results.

Speakers at the open session will include: John F. Curtis, Massachusetts

Mutual Life, president of Los Angeles C.L.U. chapter, on "How I Use A. & H. Insurance in Estate Planning;" Harvey Quigley, San Francisco, agency supervisor of Mutual Benefit H. & A. and zone chairman of International Assn. of A. & H. Underwriters, on "Five Steps Necessary to Make a Sale;" A. C. Krauel, Los Angeles general agent of Pacific Mutual, "I Am Buying an Annuity for My Men and Myself for Nothing" and D. C. MacEwen, superintendent of A. & H. department of Occidental Life of California, on "Something More Than the Sale."

Herbert Rose, vice-president of Unity Mutual Life & Accident, is convention general chairman.



**balance
improves performance**

From childhood's earliest moments... balance is essential to progress.

So, too, in a life insurance company, continuous achievement is aided by a favorable balance of past history, present progress, and future plans.

Fidelity is a well-balanced company.

**The
FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA



**GLOBE LIFE INSURANCE COMPANY
OF ILLINOIS**

**Attractive Agency Contracts
COMPLETE LIFE INSURANCE
COVERAGES — AGES 0-60**

159 North Dearborn St., Chicago 1, Illinois

WILLIAM J. ALEXANDER, PRESIDENT

Conference Underwriting Forum at Chicago Nov. 7

"New Horizons in Health and Accident Underwriting" is the theme for the underwriting forum of the H. & A. Underwriters Conference Nov. 7 at Edgewater Beach Hotel, Chicago. J. M. Wickman, Mutual Life, is chairman.

There will be a round table discussion of non-cancellable vs. commercial insurance with D. B. Alport, Business Men's Assurance, as moderator. Discussing non-cancellable insurance will be Earle J. Cadwell, Monarch Life, and Thomas K. Bond, Provident Life & Accident. John R. Sutherland, Professional Insurance Corp., and E. W. Beresford, Old Line Life, will review underwriting of commercial or cancellable type policies.

Because of the interest in catastrophic medical and hospital insurance, David H. Harris, manager A. & H. department of Equitable Society, will speak on underwriting problems in the individual A. & H. catastrophic field.

"The Effects of Modern Medicine on Present Risk Selection" will be reviewed by Dr. John E. Boland, medical director of Country Life, North American Accident and Catholic Order of Foresters.

An underwriters round table, with Roy A. McDonald, conference assistant director, group and underwriting, as moderator will conclude the forum. It will review interesting cases submitted during the past year.

Subcommittees of the conference underwriting committee will give reports, including the manual committee, J. T. Helverson, Washington National; underwriting forms, J. J. McCuiston, Woodmen Accident; underwriting reports, C. M. Barry, Ohio State Life, and special risks, C. D. Scott, Great American Reserve.

Program chairman of the forum is E. F. Brewer, Republic National Life. Advance registrations indicate an attendance of about 150.

Day Favors Minimum Loss Ratio Idea for A. & H.

Commissioner J. Edward Day of Illinois, commenting on the work of the commissioners' subcommittee on policy benefits in relation to premiums in the A. & H. field, said that he is heartily in accord with a program for establishing a minimum loss ratio in Illinois.

"It is essential for certain companies to wake up to the short-sightedness of excessively restricted or expensive hospitalization and accident and health insurance policies and practices," he added.

It would be better for the industry to take care of the problem itself, the commissioner said, rather than require new legislation or new fields of department action. The department has withheld approval of many A. & H. policies which were considered overly restrictive or too susceptible of misinterpretation, he declared.

Form Durham Association

Maynard Hall has been elected president of the newly-formed Durham (N.C.) A. & H. Underwriters Assn. Walter Sorgi is vice-president and J. L. Atkins, Jr., secretary.

May Up Full Benefit Level

MILWAUKEE — Following the action taken by Wisconsin State Medical Society at this annual convention to raise the income levels of its prepaid surgical and medical care plans in the state, Milwaukee County Medical Society, which operates similarly in Milwaukee county, is contemplating a similar step. At its Oct. 30 meeting, the Milwaukee group plans to increase the level at which subscribers would receive full benefits from \$3,600 to about \$4,000. Doctors are permitted to charge additional fees to patient-subscribers whose incomes are above that level. Surgical Care, which it operates, has

about 316,000 subscribers, mostly in Milwaukee county. Some increases in benefits are contemplated, but the monthly premium rates of \$2.50 for families and 90 cents for individuals may not be raised.

H. & A. Conference Holds Regional at Des Moines

DES MOINES — About 100 company men from Kansas, Nebraska, Minnesota and Iowa attended the regional meeting here of H. & A. Underwriters Conference.

C. O. Pauley, managing director, was in charge of the meeting. Robert R. Neal, North American Accident, executive committee chairman; C. C. Fraizer, general counsel, and Robert R. Rydman, assistant counsel, also attended.

Topics discussed included the new uniform provisions law passed by the last Iowa legislature and trends in hospital insurance. Discussing insurance for over-age risks, the companies were urged to go as far as possible but no definite proposals were recommended on how to accomplish it. Health Insurance Council activities, status of agency under social security, state disability plan experience, special policies and medical insurance, including catastrophic coverage, also were discussed.

D. B. L. Payments Tax-Free

Bureau of internal revenue has ruled that all payments made to employees under the New York disability benefit law are tax-free, whether they are made by the employer under an approved self-insured plan, by the state fund, or by an insured plan. The ruling is I.T. 4004. The bureau has also ruled that payments made by an employer under a self-insured plan will be considered deductible for income tax purposes as a business expense. The amount contributed by the employee to the plan is, of course, not deductible by the employer. The deduction may be applied by the employer for the year in which benefits were paid or accrued, depending on the method of accounting he uses.

Get Letter Writing Tips

Advice on how to write "human letters" was given members of Chicago A. & H. Assn. at the October meeting by Harold P. McQueen, a correspondence counsellor. He suggested using short words, sentences and paragraphs, and mentioned that children write good letters because they know what they want to say and proceed to say it bluntly.

Forty percent of all letters are longer than necessary, he commented, and 15% are entirely unnecessary, but must be written because the first letter was adequate in some respect.

President Albert H. Wohlers, Youngberg-Carlson, introduced Jay DeYoung-Kummerow, who has been appointed acting treasurer of the International association. Mr. DeYoung-Kummerow, introduced William G. Coursey, the new executive secretary, who was making his first public appearance. Mr. Coursey stressed the need for gaining new members and solicited suggestions and help from the local members.

Texas Leaders Meet

Mrs. Marie Chambers, director of the licensing section of the life division of the Texas department, spoke at a meeting of the executive committee of Texas Assn. of A. & H. Underwriters in Austin, suggesting that an applicant for insurance sign an affidavit which would show his personal health situation. She emphasized the need for care on the part of a company in giving an agent contract, the need for adequate training and the importance of careful supervision.

Ralph B. Willis has been appointed assistant manager of Mutual Life of Savannah. He joined Mutual in Savannah, Ga.

SALES IDEAS OF THE WEEK

Pyramid Club Gets Rural, Metropolitan Lessons in Prospecting, Sales Methods

The best methods of prospecting for clients in the shifting populations of boom towns where city directories are out of date in about three weeks, and where the census totals of the postmaster and school boards frequently conflict, were pointed out by Willis B. Townsend, general agent for Continental Assurance at Anchorage, Alaska. Mr. Townsend gave his prospecting formula as a member of the town and country panel of the company's Pyramid Club at Chicago.

He said that he first contacts the utilities and then the unions. His most effective method, however, is to become acquainted with the superintendents and job foremen of the various logging and construction camps, since "they can frequently tell you where people live." He added that it is in such camps that newcomers to the territory make their homes.

Another member of the panel, Orrin A. Sprague, general agent at Mesick, Mich., told how he handled a similar prospecting problem on a more moderate scale. Operating in a rural territory dotted with several small towns, Mr. Sprague explained that his problem is to make the most calls covering the least amount of miles. He does this by becoming acquainted with the leading business men in each of the towns in his territory, such as the druggist, the hardware man, service station attendants, and the restaurant owner. By doing this over a period of time, Mr. Sprague declared that he becomes acquainted with everybody in the area since these business men introduce him to their customers.

Subscribes to Small Town Papers

He also subscribes to all the small town newspapers. Cards offering a baby ring, are sent to all parents represented in the birth announcements. When the cards are returned for the ring, Mr. Sprague then inquires of his business men friends something about the family. "In doing this," he said, "I can make four or five stops in one of these towns, 12 to 15 miles apart and in making a 40 mile trip, I usually make 10 or 12 calls."

Moving from the small town to the metropolitan center, the panel heard how S. Jerome Feinberg, agent at New York City employs what he terms his "double-entry" system of selling insurance. Mr. Feinberg stated that when he makes a sale, he mentally credits himself with the commission, but at the same time, debits himself with the services due the new assured. It is here, he said, that the secret lies to the business he writes.

When asked about his methods in dealing with people who cannot buy life insurance, Mr. Feinberg replied that he calls an uninsurable individual, a "neglected uninsurable." "In New York," he said, "we have a lot of them because people live at such stepped-up pace. Mr. Feinberg said that part of his approach with these individuals when he specifically knows they will not be able to buy insurance is to say to them, "I will live as you live—by recommendation or by referral." After auditing their policies giving them advice, he then asks them for a referral.

William E. Carpenter, agent at Miami, Fla., told the panel that the many small groups there, some running as high as 150 to 200 employees, offer good group opportunities. However, Mr. Carpenter pointed out that he does not solicit a case unless he believes there is a salary franchise allotment in it because "you can't make enough money on the group cases without one."

He said the easiest way to sell life in a group situation is to create a neces-

sity where the group has already been sold. With comparatively small groups, he personally solicits most of his cases, meeting every employee in the firm. After handling the case for about a month and a half, and personally delivering a few claim checks, he soon gets to the point where he can approach the boss and present his salary allotment franchise. "It's the easy way," he said.

He explained that most salary allotment franchises are small in their area, but in a 25 to 30-man group he would expect to total the first year \$50,000 to \$75,000 volume. Mr. Carpenter concluded that once the agent's confidence and prestige is established in the firm, quite naturally the employees will turn to him for automobile and fire policies.

As the panel again turned to prospecting, Jacques D. Schurman, supervisor at Toronto, told of his method of finding prospects with a minimum of

difficulty. Mr. Schurman uses an enclosure form entitled, "Life Insurance Without Obligation." The form carries check marks for ordinary life insurance, life insurance with investments, pension plans and the name and address and occupation of the respective clients. He then asks the respective client to return the form. He stated that he receives an average of 6% returns on these inserts. Mr. Feinberg interjected at this point with advice for the more shy agent. He advised him to carry a small card that would say, "He doesn't look so hot in his B.V.D.'s." The card is especially effective, said Mr. Feinberg, before entering the office of a big business man.

Home Guarantee Leads

Nathan Brown, general agent at Chicago, told how other business can be written on his home guarantee leads. Explaining his agency has a home guarantee franchise, he said that it gives him an excellent opportunity to make two or more sales at the same presentation—one for life, the other for home guarantee. He urged that a more complete job could be done if agents combined the home guarantee with a prospect's personal life insurance program. He explained that leads on his home guarantee business come through the home guarantee franchise.

DeRoode Joins Franklin

Granville H. deRoode, former assistant director of the Purdue course, has been appointed manager for Franklin Life at Miami. He entered life insurance with Union Central in 1945, and has been with Commonwealth Life as agent and unit manager, and with Liberty Life as home office supervisor. He is an army veteran.

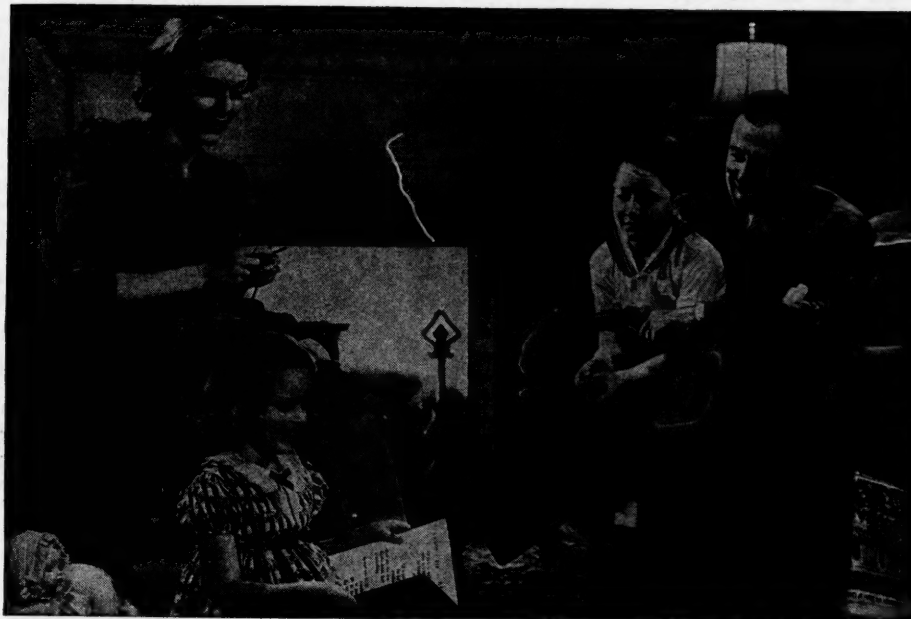


G. H. deRoode

Hughes Back to St. Louis

Jack E. Hughes has returned to St. Louis as VA director of insurance from Washington, D. C., where he was transferred in 1949 as chief of standardization in insurance accounts. Mr. Hughes joined the VA in 1946 at St. Louis. In 1949, he was named assistant director of insurance before leaving for Washington. Mr. Hughes is co-author of the textbook, "Life Insurance Accounting."

Prudential Security Plans Sell Because They Serve



A home for keeps. That's what Howard Benton has guaranteed his family. Even if he should die tomorrow, his Prudential mortgage insurance plan would provide enough cash to cancel his home mortgage.

Benton has an \$8,000 plan:

- \$2,000 of Whole Life Paid-up at 85
- And a 20 year Decreasing Term rider for \$6,000 (initial amount)

At age 32, this plan costs him less than \$21.00 quarterly.

Jim Sleight, Prudential man who sold this plan, says, "Give me Prudential's Decreasing Term riders every time for closing mortgage insurance sales. They're flexible, low cost, and easy to sell."

Prudential's Decreasing Term riders are available for 10, 15, 20, or 25-year periods. Ask your Prudential Agency for details.

The above facts are based on an actual case, but of course true identities are not given.



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

A mutual life insurance company

Home Office:
Newark, N. J.

Western Home Office:
Los Angeles, Calif.

Canadian Head Office:
Toronto, Ont.

Medical Directors Elect Dr. L. H. Lee

(CONTINUED FROM PAGE 4)

Edward S. Dillon and John M. Trapnell, Jr., of Penn Mutual Life, on diabetes and its complications and by Drs. Joyce T. Sheridan and John M. Peck, Fidelity Mutual Life, speaking on hypertension.

Drs. Sheridan and Peck, speaking on overweight and hypertension, declared both are of interest in that neither is a direct cause of death but either causes an increased death rate. The influence of overweight as a predisposing factor in hypertension has been evident, they reported, among employees of their company. In 3,529 annual examinations of persons employed five years or more, elevated blood pressure was more than eight times as common among those above average weight as among others.

Dramatic Reduction Results

Even more dramatic, they said, has been the extent and rapidity with which blood pressure has often dropped when overweight persons are placed on a restricted diet. They declared that weight control is one of the best means known today to combat the degenerative diseases of middle and later life.

In a second paper, Drs. Dillon and Trapnell emphasized the connection between overweight and diabetes, especially in individuals who have a family history of diabetes. They reported that atherosclerosis, a form of hardening of the arteries, develops in diabetics much more rapidly than in otherwise normal individuals. Reasons for this are not entirely understood and they declared there is need for much more research in this problem.

In the opening paper in the program, Dr. Durant emphasized that the intake

of fat in the American diet has increased enormously since 1910, and has increased most significantly in the case of the business and professional group which is usually susceptible to coronary disease. High fat diets have brought obesity to many people, which in turn has added a strain to the hearts of those with coronary artery disease. In those who are pre-disposed to coronary disease through constitutional factors, the excessive American dietary has been an important factor in the development of serious coronary difficulties.

Calling Long-Term Inflation Inevitable Stirs Economists

(CONTINUED FROM PAGE 8)

on in Britain that does not necessarily mean that it will happen here, one suggested. Besides, among things, he did not mention the counterinflationary effects of mass production and technological improvements.

A more pessimistic view is that the correspondent is right in assuming that inflation is inevitable, at least he is unless steps are taken to prevent it. By dramatizing the disastrous results of weakness in handling inflation the writer may have done a service, he said.

Strong Action Urged

Stopping inflation can be regarded as impossible, he pointed out, only if one assumes that the government and the people are selfish and want to proceed on the hazardous assumption that they will be among those to profit by inflation and not among those who won't. Perhaps life companies ought to tell the people in blunt, frightening terms what inflation really will do to their life insurance savings, he said. This would really stimulate action. The public would take to heart the seriousness of the problem of defeating inflation. Too, if

the public is alarmed about inflation, legislators and the government would be compelled to take the drastic steps needed to stop it even though someone inevitably is bound to get hurt.

Saying we won't have inflation is a

"pussy-footing" approach that won't help the situation, he continued. In arguing that we will have it and explaining exactly how much trouble it will create, "we will get some action and get it fast. Then, inflation can be stopped."

Decline in Agency Strength Follows Marked Recruiting Slump

(CONTINUED FROM PAGE 1)

leave for another business. There doesn't seem to be any other job quite as good as that of selling life insurance once one has become successful at it. Competent agents know this.

Recruiting will probably get even more attention when companies begin comparing production for the last half of this year with the second half of 1950. Last year saw many volume records set when the public went in for mass pre-war-clause scare buying. This year's record may not look so good when stacked up against that volume. When the manpower situation is on the downgrade, as it is now, other problems are accentuated, such as proselytizing activity, which steps up whenever there is a manpower shortage.

CHEERFUL ASPECTS

There are several cheerful aspects to the manpower condition. One is that the companies are striving to maintain fairly stiff selection requirements. New men being brought into the business are quality candidates for the job. Nor has the increased emphasis placed on post selection in the past few years been diminished.

In some instances the over-all figures of manpower decline are specious because of the loss recorded in some companies when they cleaned up their manpower rolls to determine who was and who wasn't a full-time agent for social security purposes. Normal attrition of the agency force through turnover, of course, hasn't ended and that of itself continually requires taking new men into the business.

One explanation which tended to de-emphasize the seriousness of the manpower decline in the last six months is that comparisons have been made with the first half of 1950, when the business was experiencing almost boom times from the new agent recruiting viewpoint. The country was just getting into the full swing of post-war economic prosperity and recruiting was going well. This view suggests that comparisons with 1948 and 1949 might not make the number of new men put on in 1951 look so bad.

Reasons for Decline

What are the reasons behind the drop? Well, there are many of them, agency news sources say.

Fundamentally the uncertainty of the future created by the day's headlines and the yearning for security instead of opportunity that afflicts the young men of the country, makes potential agents skeptical of their chances of success in life insurance. The first and second year agent turnover figures, which in any event are no worse than they are in other sales fields, don't add to their confidence.

The available pool of men who might otherwise become agents, of course, is reduced by those being called into service, into defense industries where they are at least temporarily out of the market of the agent recruiters.

Some men may prefer to get into another business knowing that if they eventually go into the service they will have job reinstatement rights when they return. No agent of course need ever be unemployed, but unfortunately from this viewpoint no company can guarantee an agent that someone else will not call on his clients if or while he is away. Nor can companies continue to pay an agent a salary or make up the difference between his sales and his service income while he is away as some firms competing for manpower can do.

The cost of living has gone up tremendously even from where it was just after the war. Family budget requirements are high. Even with company general agent salary plans or advances a new agent has a tough nut to crack. Although the difficulty of getting started in the life business is not a new problem, a new man must sell a much larger volume than he formerly did to make a wage which will enable him to live comfortably and that will help him in his selling.

A byproduct aspect is the situation confronting the many new general agents appointed since the war. For those whose companies are entered in New York Section 213 presents big problems. The newer the agency the bigger they are. A young general agent has to put up a lot of money to get a new man going in the business and often his renewal don't give him the collateral to swing it with comfort. In companies with other established general agencies this situation isn't nearly as acute. Managers' companies are better off in this regard. Then it is sometimes said that the difficulties of recruiting under present circumstances have made some general

WANT ADS

Rates \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday morning in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
Life Insurance Edition

OPPORTUNITY

An Old Line, Legal Reserve Life Insurance Company, located in the Southeast, which is now in its 44th year of successful operation is seeking the services of a qualified person to become Supervisor of Agencies for territory consisting of: North Carolina, Virginia and the District of Columbia. The person must have a successful sales record and preferably some experience in Agency Management or General Agency work.

An unusually attractive arrangement will be made with the person selected. Reply in strict confidence to Box H-51, The NATIONAL UNDERWRITER, 175 West Jackson Blvd., Chicago 4, Ill.

FOR SALE HALF INTEREST IN COMPANY

Offering one-half or controlling interest in well-established Life, Accident and Health and Hospitalization company, Illinois corporation. About 20 years old with approximately \$10 million in future large volume of Accident and Health Business. Offices will be held in strict confidence. Address H-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Established Florida General Agency, 100 year old Eastern Life Company. Broad coverage, excellent group department, needs production manager to supervise and train new agents. Give age and experience in full. All replies confidential. Address H-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Actuarial Supervisor—Male—For large Eastern pension consultant. Should have experience in Employee Benefit Plans (particularly pension plans). Give all personal data and salary expected in first letter. Replies kept confidential. Address H-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ASSOCIATE TEXAS STATE MANAGER
for Multiple Old Line Legal Reserve Life Insurance Company. Must have adequate background in recruiting and training men. Address H-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



er 19, 1951
won't help
In arguing
claiming es
will creat
and get
stopped."

agents philosophically turn to personal
production as they did during the war.
They aren't doing the recruiting job they
are capable of performing. This hasn't
bothered the companies whose managers
aren't allowed to write personal busi-
ness or those general agents who don't
care to or haven't the time to put in on it.

Recruiting is, of course, an old prob-
lem in the business. As such, its han-
dling is continually improved by new
methods as are all the other problems
of agency management.

Home offices, added by the integra-
tion of their experience and ideas in
I. A. M. A., are paying more atten-
tion to recruiting procedures than ever
before, if that is possible. The condi-
tions of 1941 and 1942 aren't so far away
that companies can't revert back and
check on their experience then and what
they did to meet problems, many of
them similar to what they face now.
The last war and its manpower shortages
aren't so far away that home office and
field chieftains are unfamiliar with the
problem.

WHAT'S BEING DONE

Supervision of recruiting activities is
now often found to be a full time re-
sponsibility for one and only one home
office agency department official. It is
no longer an extra task for someone, or
shouldn't be, successful recruiters sug-
gest.

Field offices are given added help in
their recruiting. Home office delega-
tions tour the country conducting inter-
views for prospective agents. In one
company a team holds sessions in hotels
in cities where it has general agencies.
Want ads, previously placed, offer car-
eer job consultation, etc. The better
men are referred to the general agent
for additional study. Men found not
suited for life insurance have been told
of other jobs in the area where they
might be happy to work. This plan has
worked out very well in some cities
where the general agent knew where
personnel or employment managers were
looking for sales minded people. The
life insurance ads turned up good pros-
pects for these positions and these men
were able to fill them though they were
not thought adaptable to life insurance.

Definite Time for Recruiting

General agents and managers are being
asked to set aside definite times for re-
cruiting. Quotas make it a regular part
of the job. The idea is to make recruit-
ing compete heavily for the general
agent's time. Panels on recruiting are
regular parts of general agents' and man-
agers' meetings. Everything possible is
being done to stimulate field interest in
recruiting. One company has a club
made up of general agents where the
standings are determined by success in
recruiting. Every general agent tries to
avoid being the bottom man on the list.

Recruiting contests and intra-company
direct mail campaigns keep the man-
agers' minds on recruiting. Agents bring-
ing new men into the business are re-
warded.

One home office sends out regular
bulletins explaining the mobilization ex-
pectancy of a man in certain military
categories. These are prepared in co-
operation with underwriting departments
which use them in risk selection. The
bulletins let the general agent know
how soon he might expect to lose a man
he puts him on. The data comes from
the defense department, selective serv-
ice headquarters, etc.

In addition home and field offices are
keeping in close touch with the men
who have been lost to the service. Mag-
azines, letters, and so forth, keep them
in constant touch with the agency and
company activities. This serves the dual
function of keeping up the serviceman's
morale, and reminding him of his hoped
eventual return to life insurance with
his former company and agency.

C. W. Arnold, vice-president and su-
perintendent of agencies of Kansas
City Life, addressed the Lansing, Mich.,
managers, talking chiefly on the recent
A.L.U. meeting at Los Angeles.



Photographed at the recent American Life Convention meeting in Toronto are, from the left, Paul F. Clark, president of John Hancock; W. H. Trentman, executive vice-president of Occidental of North Carolina, and A. Gordon Nairn, Canadian superintendent of agencies for Prudential.

Decentralization Publicized

Business Week in its Oct. 13 edition
carries a four column prominently head-
lined article on the decentralization pro-

gram of the Ohio Farm Bureau insur-
ance companies. This is linked to the
setting up of a regional office at New
Haven to handle automobile insurance
in Connecticut, Rhode Island and Ver-

mont. The headline reads "Too Big
to Manage. That was Farm Bureau
Insurance Companies' trouble—it was
just too big for one central office to
handle. There was only one thing to
do, and that was to move management
out into regional offices. The first of
these regional setups starts business
next week. Fifteen others will follow
by 1954."

S. S. Panel for Optimists

Members of the Fort Worth (Tex.)
Assn. of Life Underwriters presented
a panel study on government insurance
and social security to the Fort Worth
Optimists Club. Panel members were
Russell H. Pearson, Minnesota Mutual,
moderator; Eddie Dyer, Southland Life;
Ralph J. Beaver, Guarantee Mutual;
David W. Ashley, Northwestern Na-
tional, and Gail J. Dixon, Prudential.

Mr. Dyer, past president of the Opti-
mists, arranged the program with the
assistance of Mark R. Ball, chairman
of the educational committee of the
association. Mr. Ashley is now presi-
dent of the club.

Maryland Department Moves

Offices of the Maryland department
have been moved to 34 Hopkins Place,
Baltimore. It will occupy the entire
second floor at that address.



Comes the time of year when "It's tops" signals a game most of us re-
member from our school days. Nowadays, however, "It's tops" is a year-
round expression heard from Provident Life Producers—and they're re-
ferring, of course, to the Provident's line of up-to-date guaranteed rate
coverages designed to meet specific needs.

Provident Life Producers say these plans make selling EASIER and MORE
PROFITABLE—EASIER because they sell the prospect what HE wants,
and MORE PROFITABLE because of: a liberal scale of first-year com-
missions . . . nine renewals . . . service fees . . . a non-contributory pen-
sion plan . . . group insurance . . . and a persistency bonus.

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
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Fidelity Scores High Where It Counts Most



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- ✓ Home Office Cooperation
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- ✓ Incentive Plans

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Home Office - Fulton, Illinois

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LUTHERAN BROTHERHOOD LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

Carl F. Granrud, President
808 Second Ave. So., Minneapolis 2, Minnesota

Substandard Business Increases

(CONTINUED FROM PAGE 10)

Information may be called for before such a trip to brief the doctor on what is involved. This particular development has been a great morale builder for agencies, especially those far from their home office. They give opportunities for discussion of individual cases and the clearing up of misunderstandings.

A questionable or rated applicant may be encouraged to visit some home offices for an examination or an interview with the medical board, especially if he resides near the home office. Or, an arrangement may be made for the applicant to call at the home office if he is making a trip to that area. In these special cases a personal interview is preferred to medical underwriting routine where a set of facts are credited or debited resulting almost mechanically in a rating.

Home Office Sales Help

There is a willingness in home offices to help "sell" a case. Companies in some instances may give the reason for the rating and a "sales letter" to go with it. This lets the applicant know, for example, that the home office will be glad to reconsider his case after a time. On some impairments the company is not at liberty to let the agent know the reason for the rating. This is to maintain the confidential relationship with the doctor.

The attending physician may not have advised the patient of the seriousness of his impairment. Usually some member of the family has been given the information but for psychological reasons it is withheld from the patient.

This list of developments is not intended to imply that there are no more disputes between agents and underwriters about ratings. That sort of life insurance Utopia hasn't arrived and probably never will.

Adverse Factors Involved

The trend has occurred despite its tie-in with more than average adverse selection, additional expense in that it involves more examinations, statements, and special tests, a high "not-taken" rate (which may be at least partially attributed to shopping of cases), and added expense to maintain and service after it has been paid for and delivered. There is good reason for caution.

Agents' earnings and general agents' and managers' volume requirements are woven into the substandard development since, in theory at least, a company taking a substandard increases the earnings of its agents, keeps them "at home," and attracts business from outside sources to its agencies.

AGENCY ASPECTS

The problem of what to do with substandard usually confronts an agent when he encounters his first case where a rating is or may be involved. Where it is obvious that a rating will be required the usual practice is to send a preliminary inquiry to the home office for instructions.

More often the problem arises when neither the applicant nor the agent expects a rating. When the extra premium is requested by the company the agent is usually surprised, perhaps less so than the applicant. Where an extra rate can be expected and the agent knows it, he may quote an approximate premium large enough to take care of the anticipated rating. This is done when the application is signed and avoids trouble later.

Underwriters like to say that it is the impairment, not the selection man, that causes a case to be declined or rated.

Experienced agents appreciate that underwriters are always conscious of an agent's reputation when they are evaluating a risk. Actually, the agent is the first selection man to check on a risk for his company. He has a commen-

surate responsibility. His success will depend on how he carries out this obligation. A basic principle for him to remember is that to any company but his own he is a stranger. The reception outside will not be as cordial as that his case will get at his own home office. Loyalty to one's company is one of the fundamentals of successfully handling a substandard case.

Pertinent Information Necessary

Some agents forget that they have their best chance of getting a risk accepted standard or with the lowest practicable rating that might be applied by supplying their own company with all pertinent information available. In addition to the moral and ethical obligation to the company, the procedure of giving one's company first crack at every case is confirmed as being the best practice by brokerage business substandard specialists, all of whom try to develop prestige with their own groups of companies.

Unfortunately, some agents and local doctors believe they can do an applicant a favor by not reporting an impairment to the company when they are in no position to evaluate it. The company is in business to write risks and knows much more about the factors involved than any agent or any particular doctor. Sometimes a fact that appears suspicious to an agent may be the information the underwriter or medical officer wants about a risk to issue standard or with a lower rating.

Suspicion on the part of the underwriter that he hasn't been given all the facts may cause some unfavorable decisions. In any event, if he suspects the full story has intentionally not been told, he resolves all doubts in favor of the company, and in substandard, it may mean a table rating one or two higher than would be necessary if all the facts are disclosed. And if an agent builds a good reputation with his company it may eventually help him, for example, to receive prompt treatment on a special case.

Dr. Jekyll and Mr. Hyde

Some applicants perform a Dr. Jekyll and Mr. Hyde act. Mr. X, 4-F in the draft, complained of agonizing chest pains when he was supposed to go into the army. But when he wanted life insurance he said he "pulled a muscle." Aside from the fraud involved, he must get an O.K. from some doctor or underwriter in the home office who may have spent three years overseas. The

applicant's chances of being insured without a rating aren't very good. The doctor or underwriter naturally is inclined to believe that something smells.

When Mr. Y collected on his A. & H. policy he swore he had suffered a coronary attack. When he wants life insurance he forgets to mention it or suggests merely that he has experienced shortness of breath.

SAVE THE CELEBRATION

A simple cure for a problem that some agents have faced is to avoid heavy wining and dining their prospects to celebrate the sale just before the applicant is to take the medical. A banquet type meal or a few Martinis immediately prior to an examination or heavy drinking the evening before may affect blood pressure, increase a pulse rate or cause the appearance of sugar in urine. Saving the celebration until later is the best practice.

If the home office hasn't indicated when a rating may be reviewed and is the type case that can be reconsidered, the agent may ask when a review will be granted or submit an appeal.

Many agencies have on hand a copy of "Risk Appraisal" by Dr. Harry Dingman, vice-president of Continental Assurance, which gives considerable information about impairments. This helps an agent to discuss a rating intelligently with an applicant and show him that it isn't his company but medical facts which require the rating. The use of this book and the "sales letter" mentioned previously are helpful in selling a rated policy.

L.U.T.C. courses and the standard company training programs for agents now include instruction on selling rated cases.

Selling Additional Amounts

Many agents make it routine to ask for an extra policy or for an additional amount of insurance when a rating is applied. They develop special presentations for closing a substandard sale. Some adopt the psychology of almost ostentatiously assuming that the applicant will take the original policy. It is only a question of his taking additional rated insurance right now. The prospect is told that it may be the last chance he will have to get any insurance because rated impairments usually become worse rather than improve. It is to his advantage to take the rated policy. If his impairment becomes worse and he keeps his insurance in force his contract is irrevocable. If his impairment improves the company may lower or remove the rating. He cannot lose either way. The applicant

PERTINENT STATISTICS

ASSETS Over \$133,000,000
INSURANCE IN FORCE Over \$554,000,000
BENEFITS PAID SINCE 1902 Over \$ 58,000,000

AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Life Insurance

Home Office:

APPLETON, WISCONSIN

may already be upset by news of the rating and this is a good time to induce him to buy. One way he may be encouraged to buy more is to suggest he use the annual premiums as a semi-annual payment for double the amount. An agent may be able to straighten out some rejected or rated applicants who might be insurable or rated lower with the applicant's own physician. For example, emotional blood pressure cases are common.

Don't Canvass the Market

The agent should not immediately canvass the company market when he gets a rating or rejection. "Take it easy," specialists caution. If practicable, they recommend that the agent go to the applicant or to his doctor and try to uncover some new facts and then go back to his own company. Some new development must be shown or the company can't reconsider. If information of underwriting significance can be produced which the company has not had, practically every home office will review its decision.

"Tell them not to get an applicant turned down right away by six or eight companies," one specialist suggested. "The underwriter getting the application may be the fifth man to receive it. He says to himself 'Why should I stick my neck out when all the others have turned him down?'"

Many Factors Influence Rating

There are a variety of factors that influence a rating which by use of initiative can be shown in their true light to an underwriter and which may help avoid or reduce a rating. This doesn't mean that an agent should groom his risks for examination. The company is entitled to an accurate picture of the applicant as he lives from day to day. It would be unethical if not criminal for an agent to attempt to present the applicant in a better light than actually exists.

But some things can be done. Here are several examples: X's specimen revealed sugar. It developed that he had been celebrating a long awaited promotion the night before the examination with some choice bourbon. He should have waited several days to take the medical so that it would reflect his normal behavior. New tests showed the condition was not serious.

Electrocardiograph machines have been known to function improperly. There is a story of one machine with a rundown battery which resulted in a rating. On a second test to correct the rating, the machine was used improperly. It took years to correct the original error but eventually it was done.

Another case involved a peculiar heart block. After a three day surveillance in a hospital it developed that the applicant had a slight heart deformity at birth. There was no impairment. The company issued all he wanted.

One applicant was thought to have ulcers. Tests by a specialist revealed that he actually had an allergy, harmful effects of which could be avoided.

Mountain, Sandine Named

Dr. George E. Mountain has been named a director of American Mutual Life of Des Moines, filling the vacancy caused by the death of F. W. Fitch. He is a son of Dr. E. B. Mountain, president of the company, and has practiced at Des Moines since 1941.

E. W. Sandine, manager of the accounting division, was promoted to assistant secretary. He started with the company in 1923 and became manager of the accounting division in 1941.

Credit Insurance Booklet

How consumer credit insurance serves installment buyers and small loan borrowers is explained in terms the public can understand in a booklet being made available for general distribution by the Consumer Credit Insurance Assn.

The association, made up of companies that write life and A. & H. policies in small amounts geared to the needs of

installment credit users, points out that consumer credit insurance, though not widely understood outside of financial circles, has grown to a \$3 billion a year business that in 1950 accounted for about 10% of the life insurance written by all American companies. The booklet is intended for distribution to the public by lending agencies and by dealers interested in time-payment sales. It is titled, "How Consumer Credit Insurance Protects You and Your Family."

Announce Further Details of L.I.A.M.A. Program

Further details of the program for the annual meeting of Life Insurance Agency Management Assn. at Chicago have been announced.

Olen E. Anderson, vice-president of John Hancock and president of the association, will give his presidential address Tuesday afternoon, Nov. 13. Charles J. Zimmerman, managing director of the association, will also speak at the opening session, as will Paul Speicher, president of R. & R. Service.

Mr. Anderson will preside at the fellowship luncheon opening the meeting at noon Tuesday, which is planned as a tribute to John Marshall Holcombe, Jr., the association's late managing director. Speakers will be Vincent B. Coffin, senior vice-president of Connecticut Mutual; Oliver Thurman, retired vice-president of Mutual Benefit, and Sam E. Miles, vice-president of Provident Life & Accident, immediate past president of the association.

Committee meetings will be held Monday and Tuesday. On the Monday program also is a luncheon for committee chairmen and the directors, and an evening reception for new member companies.

A meeting for member companies operating in Canada is set for Tuesday morning. A. E. Wall, chairman of the Canadian companies committee and vice-president of Confederation Life, will preside. Speakers will include J. A. McCamus, director of agencies North American Life of Canada, on "Our Relations with Universities;" S. Rains Wallace, Jr., association director of research, "The Aptitude Index in Canada," and Thomas Irvine, director of the association's actuarial division, "The Cost Study to Date."

The small companies dinner also is scheduled for Nov. 13. James E. Schofield, vice-president North American Life & Casualty, will preside. Speaker will be Stewart MacPherson of radio station WCCO, Minneapolis.

Dineen to Be Zone 4 Banquet Speaker

ST. PAUL — The meeting of zone 4 commissioners here Oct. 22-23 will be well attended. Minnesota Assn. of Insurance Agents will assist in entertaining and Insurance Federation of Minnesota will hold its annual meeting Oct. 23.

Armand W. Harris, former Minnesota commissioner, now with St. Paul Fire & Marine, is general chairman on arrangements. He and Commissioner Nelson will be guests of honor at the federation banquet at which the zone 4 commissioners will be special guests. Don Hawkins of St. Paul Fire & Marine is chairman of the banquet committee.

Robert E. Dineen, vice-president of Northwestern Mutual Life, will be the speaker at the commissioners' dinner Oct. 22.

Insurance District New Structure

Ready for occupancy shortly in the New York downtown insurance district is a new two-story building at Fulton and Cliff streets being erected by Penn Mutual Life for the exclusive use of the Corn Exchange National Bank. This building, an attractive two-story brick, is another structure, new or remodeled, helping to give Cliff street an attractive appearance.



Great NAMES IN INDUSTRY

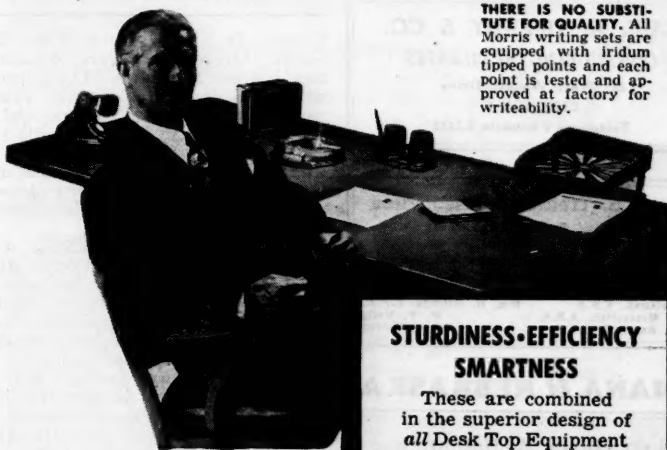
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Atlantic Alumni Meet Oct. 25-26 at Rye, N. Y.

The L.I.A.M.A. Atlantic Alumni Assn. annual management conference will be held Oct. 25-26 at the Westchester Country Club, Rye, N. Y.

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Arthur V. Youngman, president of the association and general agent for Mutual Benefit in New York City, will greet the members at a fellowship luncheon Oct. 25. Robert B. Coolidge, vice-president of Aetna Life, will speak on the progress being made in the general agency system. There will be a panel discussion on "Strength in Management," with Herbert W. Florer, vice-president of the association and general agent for Aetna Life at Boston, as moderator.

John D. Marsh, secretary-treasurer of the association and general agent for Lincoln National at Washington, D. C., will preside the second day. Speakers will include Osborne Bethea, Prudential, New York; Edward L. Reiley, Mutual Benefit Life, Philadelphia, and Charles J. Zimmerman, managing director of L.I.A.M.A.

Program for Pacific Actuaries Given

(CONTINUED FROM PAGE 2)

Coates, Jr., West Coast Life; Louis Garfin, Oregon insurance department, and Forrest S. Ockels. Their province will be to determine how the year-end work is organized as to time and personnel, and what type of work sheets are found the most adaptable. They will also attempt to determine the means companies use to make year-end records and reports readily available to auditors or examiners.

Chairman of the underwriting session will be Wesley S. Bagby, Pacific Mutual. On the score of A. & H. underwriting, the participants will attempt to determine whether the responsibility for A. & H. and life underwriting should be combined or separate, what is the proper non-renewal policy, and if a more liberal policy is essential if life and A. & H. are a combination sale.

In the direction of occupational ratings, they will discuss whether a small occupational extra premium can be eliminated. They will treat the changes in occupational A. & H. hazard since the studies were made which form the basis for the present rating. They will try to determine what special costs are incurred in assessing occupational extra premiums. They will discuss the broadening of standard classification to discover if the present sale of occupational extra premium is justified.

In a session designed to find out where the over-insurance limits have gone, one of the questions will be whether or not the limits of total insurance should be held to 20% of the applicant's income. They will attempt to determine what limits should be placed on business insurance and what extra safeguard should be applied to jumbo brokerage application.

In a session devoted to increased underwriting and issue costs, new methods and practices that can help offset increasing costs will be discussed. There will be an assessment of the studies that are being made to be sure that the cost of underwriting information, including the clerical cost of obtaining it, does not exceed the mortality savings resulting from the information.

See Movie on Selling

An attendance of 109 registered at the October luncheon meeting of Cincinnati Assn. of A. & H. Underwriters to see "The Bettger Story," a film based on Frank Bettger's book, "How I Raised Myself from Failure to Success in Selling."

After President Robert G. Myers, Massachusetts Protective, reported on the Hillcrest school, a corrective school for girls tending toward delinquency, it was voted that the association give a Christmas party at the school.

E. William Tumler, Jr., formerly with Acacia Mutual, has been appointed associate general agent of National Guardian Life at Milwaukee.

Prudential Has Two New N. Y. Agencies

(CONTINUED FROM PAGE 2)

he has specialized with outstanding success for several years.

Special agents on the Stuyvesant staff will form the nucleus of the new agency to be headed by Mr. Bethea, to be known as Osborne Bethea & Associates. Although he will emphasize the development of a full-time organization, brokerage facilities also will be available.

Mr. Bethea's Career

Mr. Bethea has had almost 30 years' experience in life insurance. A graduate of Davidson College, he started in the south as a group representative of Aetna Life. In 1929 he joined the educational department of Penn Mutual and in 1930 was named assistant to the agency vice-president. He became general agent of that company at Cleveland in 1932 and went to New York two years later. He is former president of Life Managers Assn. of Greater New York and Penn Mutual Agents Assn. He is now treasurer of National Assn. of Life Underwriters and served as chairman of its general agents and managers section.

Mr. Tracy, whose agency will be known as Gerard B. Tracy & Associates, with offices at 270 Park avenue, graduated from City College of New York and received an M.A. at Columbia. He joined Prudential in 1949 after seven years with the FBI and rolled up more than \$1 million of net sales his first year. In 1950 he qualified again for the million Dollar Round Table and his sales record for this year assures his qualification as a life member. His agency will concentrate on the development of a full-time organization with emphasis on advanced underwriting.

Mr. Schiff has been with the Stuyvesant agency since he joined the company in 1930, and was appointed associate manager in 1947. He has served as president of the executive board of Life Supervisors Assn. of New York and has been active in other organizations.

Mr. Cross joined Prudential as an agent at Cleveland in 1924, became manager at Cincinnati in 1930 and at Philadelphia in 1934. He took his present post seven years ago. He has been ill for several months and is now convalescing from an operation.

Form New C.L.U. Chapter

Roger Bourland, director of ordinary agencies of Liberty Life Insurance Company has been elected president of the newly organized South Carolina C.L.U. chapter.

Award CLU Designations

The Albany, N. Y., Life Underwriters Assn. presented C.L.U. diplomas at its October meeting. Ralph D. Semarad, professor of law at Albany, spoke.

Stock Trust Council Speaker

Life Insurance & Trust Council of North Jersey held a dinner at Newark Oct. 17. David Stock, tax and estate lawyer of New York City, talked on "Business Insurance."

Farmers & Traders in R. I.

Farmers & Traders Life of Syracuse, N. Y. has been licensed to write life, annuities and A. & H. insurance in Rhode Island.

OK Full Medical Deduction

WASHINGTON — The conference report on provisions of the new revenue bill includes provisions for house agreement to senate amendments providing for deduction of medical expense, not limited to the excess over 5% of adjusted gross income, for persons aged 65 and over.

Metropolitan's Ecker Award to Passaic

Metropolitan Life's Frederick Ecker award for leadership among 800 district offices went to the Passaic, N. J., office at a presentation dinner in New York City. The award, a plaque is named for Metropolitan's 84-year old honorary chairman who started with the company 68 years ago as a \$4 a week office boy. It is presented annually to the staff of the district office with the best all-round record during the preceding five year period.

In addition to winning the Ecker award, the Passaic office won Metropolitan's veterans trophy for 1949 and 1950.

Edward Day's Muse Is Infectious

An anonymous poet could not restrain himself when reading in The NATIONAL UNDERWRITER of Oct. 5 the verse written by J. Edward Day, Illinois insurance director, and under the caption "Illinois Insurance Director Is Political Versifier," submits:

You brilliant muses who ne'er refuse
But still infuse in the poet's mind,
Your kind, sweet favors to his poor
endeavors,
If his ardent labors but appear sublime
Preserve my study from getting muddy
My ideas ready to inspire my brain:
My quill refine while I write these lines
To the "Political versifier" of Illinois
With Downey, Dineen and the Noble
Harrington

Tennessee's McCormack is also silent,
Alas and alack, they have fled the scene
And on you, dear Edward, we have
leaned.

The rolling stone from Nebraska's
prairies
With moss adorned is near his end
You are only left, my gallant Edward
State supervision to explain, defend.
Had we but Dineen again to lead us
Harrington's brief case to give us calm
McCormack's glasses whirling near us
Then, dear Edward, I would not give
a damn!

Texas Department to Move

The Texas department will move to the International Life building at Austin about Nov. 1, occupying all floors. For the first time all divisions and sections of the department will be under one roof. It will have much more space than it now occupies in the state office building.

Maryland Life has appointed Chester O. Biven home office general agent in Baltimore.

A new booklet, "Selecting the Career Man", which explains the entire selection procedure for selective tests to effective interview suggestions, has been added by the L.I.A.M.A. to its series of books.

Security L. & A. of Denver has set aside October for the president's month campaign. Merchandise credit points are being awarded for life and A. & H. business. The campaign honors W. Lee Baldwin, president.

Verda Fletcher, American United Life, has been elected president of the Tampa (Fla.) cashiers. Evelyn Lutz is vice-president; Ninalee Marley, secretary, and Rita Wielatz, assistant secretary.

Martin E. Segal & Co., New York City welfare and pension consultants have arranged what is believed to be the first pension plan to be developed through collective bargaining in the chain restaurant industry. The plan covers 2,400 employees of 29 Childs restaurants in New York City, at a cost of about \$115,000 a year.

Charles E. Petillon, North American L. & C., Minneapolis, has been named regional vice-chairman of the N.A.L.E. membership committee of the north central area. He is national committee member of Minneapolis association.



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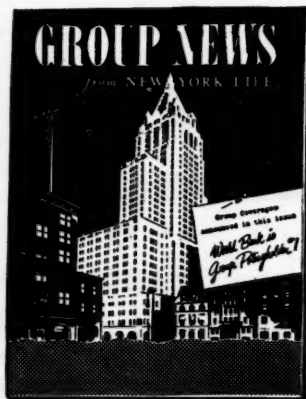
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- **Group Hospital, Surgical and Medical Expense Insurance with supplementary coverages for both employees and their dependents.**

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